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Lebanese detainees to be sent back today

Post Defence Reporter

Some 300 prisoners taken in Lebanon are to be released this morning. Senior defence sources stressed that the release had nothing to do with the freeing of the hijacked American airline passengers who had been held in Beirut by Shi'ite gunmen.

The sources pointed out that over a thousand inmates of the Ansar detention camp were transferred to Israel when the Israel Defence Forces withdrew from the area. Of these, over 500 had been set free before the TWA hijacking. The hijacking had in fact upset the orderly periodic release of prisoners, according to the situation in South Lebanon.

The remaining 450 detainees will be freed "soon" the sources said. Those scheduled for release today will be set free north of the "security zone" held by the South Lebanese Army.

A military source told reporters there had been a few attempts by terrorists to infiltrate into Israel since the IDF withdrawal from Lebanon, but they had been stopped before they reached the border. The SLA was bearing the brunt of attacks in the security zone because it was the high-profile force in the area. The IDF presence was down to a minimum.

The attacks were mainly by Amal Shi'ite forces and were directed at the SLA, the source said. Some Katyusha rockets aimed at SLA positions had overshot and landed in Israel. One had landed near Shomera, he said.

The IDF's mission in the north was to seal off the border as tightly as possible. An anti-tank ditch was being completed to prevent car-borne suicide bombers penetrating.

The army was also beefing up its strongholds along the border as well as advising settlements on maintaining proper nightly perimeter patrols and keeping their shelters in good order.

Shultz: Israel's solidarity helped free U.S. hostages

Prime Minister Shimon Peres has received a letter from U.S. Secretary of State George Shultz praising the two countries' "cooperation" and "solidarity" during the Beirut hostage crisis.

Shultz wrote of America's gratitude for Israel's "strong support" while Washington had "worked for the release" of its hostages. The cooperation between them had "defied the attempts of those who would divide us," Shultz wrote, and had "contributed greatly to the resolution of the situation."

The "solidarity" between Israel and the U.S. "as governments that are committed to democracy, to justice and to human rights" was a pillar in "the struggle against terrorism everywhere."

The secretary of state added that the episode was a "lesson to all nations: that refusal to submit to terrorists' threats and demands" was the best way to obtain security.

It was unclear from Shultz's letter whether the "cooperation" which he praised referred to Israel's having postponed the release of the Shi'ite prisoners for the duration of the hostage crisis – or its readiness to release them once the crisis was over.

Ashdod strike today

ASHDOD. – Port and factory workers will strike for four hours today starting at 8, Israel Radio reported last night. The decision was taken last night by the local labour council.

THE JERUSALEM POST today includes with its regular edition, ISRAEL-U.S. Fourth of July supplement. Among the articles are "Crisis politics," an interview with Meir Rosenne, Israel's ambassador to Washington, dealing with the TWA hijack and its effects on U.S.-Israel relations; and Wolf Blitzer's profile of the next U.S. envoy to Israel, Thomas Reeve Pickering.



Soviet Foreign Minister Andrei Gromyko, left, has been named president while Eduard Shevardnadze, Communist Party chief in Georgia, right, assumes his post. (Reuter telephoto)

Gromyko becomes Soviet president

MOSCOW (Reuter). – Veteran Soviet Foreign Minister Andrei Gromyko was appointed head of state yesterday and was succeeded in his post by the Communist Party chief of the Republic of Georgia, Eduard Shevardnadze.

In a move that took diplomats by surprise, Gromyko, 75, was elected to the post of State President by the Supreme Soviet, or parliament, after he was proposed by Communist Party chief Mikhail Gorbachev.

The appointment of Shevardnadze, 57, who was promoted to the ruling Politburo only on Monday and has little foreign affairs experience, caught Western embassy analysts unawares.

The new foreign minister has shown greater understanding of the Zionist aspirations of Georgian Jews, Israel Radio said last night. Basing itself on the view of David Bar-Yosef, an historian of Georgian origin, the radio said Shevardnadze had helped Georgian Jews to immigrate to this country.

Gorbachev had been widely expected to follow recent precedent and assume the largely ceremonial presidential title himself. The post has been vacant since the death of Konstantin Chernenko in March.

Gorbachev told the session the time had come to separate the party leader's duties from the presidency as they had been before 1977 when Leonid Brezhnev took the title.

Diplomats said they believed that Gromyko, who served 28 years as foreign minister, would now act as an elder statesman, retaining a decisive voice on foreign policy through his position as a senior member of the party Politburo.

They suggested that his elevation

(Continued on page 5)

Reagan-Gorbachev summit set for Geneva in November

WASHINGTON (AP). – President Ronald Reagan and Soviet leader Mikhail Gorbachev will meet in Geneva from November 19 to 21 in the first summit between Soviet and U.S. leaders in six years, administration officials said yesterday.

The officials said the dates and place for the meeting were agreed upon on Monday and would be formally announced shortly. Such a meeting has been discussed in diplomatic communications between the two superpowers for months.

The last time leaders of both countries met was in 1979 in Vienna, where Soviet leader Leonid Brezhnev and President Jimmy Carter signed the Salt II arms agreement.

Presidential spokesman Larry Speakes told reporters yesterday, "Both the President and Mr. Gorbachev have said they would like to have a meeting. We have been in contact with the Soviet Union regarding arrangements. I have nothing further for you at this time."

He added, however, that he expects an announcement could come soon.

National Security adviser Robert McFarlane sought to make a distinction earlier this year between a "summit" and a "meeting," saying Reagan would be interested in a get-acquainted session without the formality and expectations that would accompany a summit.

Asked yesterday if the arrangements being discussed are for a "meeting or a summit," Speakes replied, "A summit meeting."

Freed Jewish hostage says hijackers were like 'animals'

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. – Richard Herzberg, the 33-year-old insurance salesman from Norfolk, Virginia, and the one Jew separated from the main group of TWA hostages in Beirut, yesterday lashed out bitterly against his Lebanese Shi'ite captors.

"They were a bunch of animals," he said in Wiesbaden, West Germany, where he was reunited with his new wife. They had been on their honeymoon in Greece, returning to the U.S., when the TWA flight was hijacked. His wife was released in Algiers with the other American women.

The Shi'ite terrorists had kept four of the Americans – Herzberg and three non-Jews – in a separate building "without toilet" and under miserable conditions, he said.

The three others in the segregated group were Robert Trautmann of Texas, a Catholic, chosen presumably because of his "Jewish-sounding" name, Jeffrey Ingalls of Virginia Beach and Robert Brown of Stow, Massachusetts, who carried U.S. military passports.

Herzberg and others in the segregated group said they had expected to be killed at any moment. "You can't understand what that means, to know you could be murdered at any minute of the night or day," he said.

Several hostages defended the role of TWA stewardess Uli Derickson, a West German who was initially accused of having helped the hijackers pick out those passengers with "Jewish-sounding" names. She has strongly denied this charge, pointing out that she had told the terrorists that many Germans and other non-Jews have "Jewish-sounding names."

TWA as well as several national American Jewish groups have cleared her of any wrongdoing. They said the initial press accounts were simply wrong.

Hostages home, U.S. threatens Beirut airport

WASHINGTON (Reuter). – President Reagan welcomed the freed American hostages home from Lebanon yesterday, calling their captors enemies of the peace and declaring that the killers of one of their number must be brought to justice.

On the orders of President Reagan, the U.S. will try to shut Beirut Airport following the Lebanese hostage crisis.

The State Department said the U.S. government would encourage other countries to bar Beirut flights by their airlines and would halt twice-weekly flights to New York by the Lebanon-based Middle East Airlines (MEA).

(Earlier story – Page 5)

Histadrut says climb-down due to success of strike

Peres delays implementation of main economic measures

Histadrut-Gov't clash highlights Labour split

TEL AVIV. – The current clash between the government and the Histadrut over the new economic package is essentially a struggle between two distinct constituencies within the Labour Movement. At stake, in addition to the economic future of the country, is also the direction and substance of the Labour Party in the future.

Over the years, the broad coalition that made up the Labour Movement has been slowly disintegrating. Today, Labour encompasses two parties, elected by different constituencies and promoting different values. On the one side is the Labour Knesset faction, elected primarily by middle class voters with vaguely dovish views. On the other is the Labour Histadrut faction, elected by the working class and embodying specifically working class values. While the former may be traditionally Labour in its political approach, it is the latter that has remained true to old-time Labour economics.

INSIGHT
ROY ISACOWITZ

The extent to which the Knesset party has strayed from traditional Labour economics is exemplified by the economic programme adopted this week by the cabinet. Contrary to popular belief, the programme was not the brainchild of Liberal Finance Minister Yitzhak Moda'i, somehow foisted onto Labour Prime Minister Shimon Peres.

The programme, which had Peres' support from the outset, was conceived by a group of economic professors, prominent among them Eitan Berglass and Michael Bruno, most of whom are associated with the dovish wing of the Labour Party. The plan may have been enthusiastically endorsed by Moda'i, but it is a true Labour product, reflecting the Knesset party's "pragmatic" approach.

(Continued on Page 2, Col. 7)

More on the economic plan, Pages 3, 4, 9 • World News, Page 5 • New Prices, Page 6 • Sport, Page 6 • Features, Page 7 • Money Matters, Page 8

Government to negotiate with Histadrut leaders

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. – With the country at a virtual standstill due to the one-day general strike, Prime Minister Shimon Peres yesterday decided to postpone implementation of several of the major elements of the new economic programme.

Meeting with Histadrut Secretary-General Yisrael Kessar and Trade Union Department Chairman Haim Haberfeld immediately after the Knesset voted to approve the programme, Peres agreed to postpone implementation of the emergency decrees regarding the freezing of wages, cutting the cost-of-living allowance and dismissing public service workers.

Finance Minister Yitzhak Moda'i had told economic reporters on Monday that the emergency regulations would be gazetted in *Reshumot* immediately.

The Histadrut made it clear in yesterday's contacts with Peres and Moda'i that it will pay the entire cost-of-living increment due to Histadrut and Hevrat Ha'ovdim workers unless an acceptable agreement on compensation is reached.

Senior Treasury officials have warned that if the compensation due to be paid in mid-July is above 18 per cent it will destroy the plan. And any compensation above 14 per cent will force the government to devalue the shekel again.

Histadrut and government representatives are expected to meet this morning to begin negotiations over the disputed subjects. Peres was due to meet with Finance Minister Yitzhak Moda'i last night to report on his meeting with the Histadrut leaders and prepare for today's negotiations.

Following Peres' agreement to enter into negotiations, the Histadrut's strike headquarters decided last night to postpone all further industrial action until the end of the week. The decision was opposed by several trade union leaders, who urged that labour pressure on the government be maintained.

(Continued on Page 6)

Knesset gives economic plan vote of confidence

By ARYEH RUBINSTEIN
Post Knesset Reporter

The Knesset expressed confidence in the government yesterday following Monday's statement by Finance Minister Yitzhak Moda'i on the Government's Economic Plan.

The vote was 70-19, with three abstentions and about 10 of the members present not voting.

Deputy Premier and Housing Minister David Levy, who criticized the new economic measures on television Monday night, was not present.

David Magen (Likud-Herut) voted with the opposition against the government. Likud Whip Ariel Weinstein later announced that the faction would consider what action to take against him.

Histadrut Secretary-General Yisrael Kessar (Alignment) did not vote. Yaacov Shamai, who heads the Likud faction in the Histadrut, left the chamber before the vote. Mordechai Virshubshi (Shinui) was absent.

In the religious parties, only Interior Minister Yitzhak Peretz (Shas) and Avner Shaki (National Religious) voted with the government. Morasha abstained, while Agudat Yisrael, two Shas members, and David Danino (NRP) did not vote. Religious Affairs Minister Yosef Burg, who is recovering from an operation, and Zevulun Hammer were also absent.

In a letter to Moda'i, the seven religious party members who abstained or did not vote said it was to protest the fact that the economic plan had been drafted during the Sabbath.

If they had suspected that Moda'i himself had taken part in the Sabbath desecration, they would have voted against the government, they wrote.

(Continued on Page 2, Col. 2)

U.S. praises new measures

WASHINGTON. – The U.S. yesterday strongly praised Israel's economic recovery measures.

The senior State Department official most actively involved in studying the Israel economy on a daily basis, Under Secretary for Economic Affairs Allen Wallis, said he was "very, very encouraged" by what the Israel government has done.

"I reported to the Secretary of State that this has a good chance of working," he said yesterday in a telephone interview. "This was the first time that I have been able to say this."

Wallis, who led a delegation of U.S. economists to Israel in early June to discuss the economic crisis, said the proposals were consistent with the thrust of the 10 points recommended to Israel by two outside economic consultants. The consultants, Professors Herbert Stein and Stanley Fischer, were brought in by the State Department to focus on the Israel economy.

Histadrut pleased with massive strike turnout

Jerusalem Post Staff

TEL AVIV. – Officials manning the Histadrut's stike headquarters have expressed complete satisfaction with the turnout in yesterday's 24-hour walk-out. According to situation reports that flowed into the headquarters from around the country, strike observance was almost total.

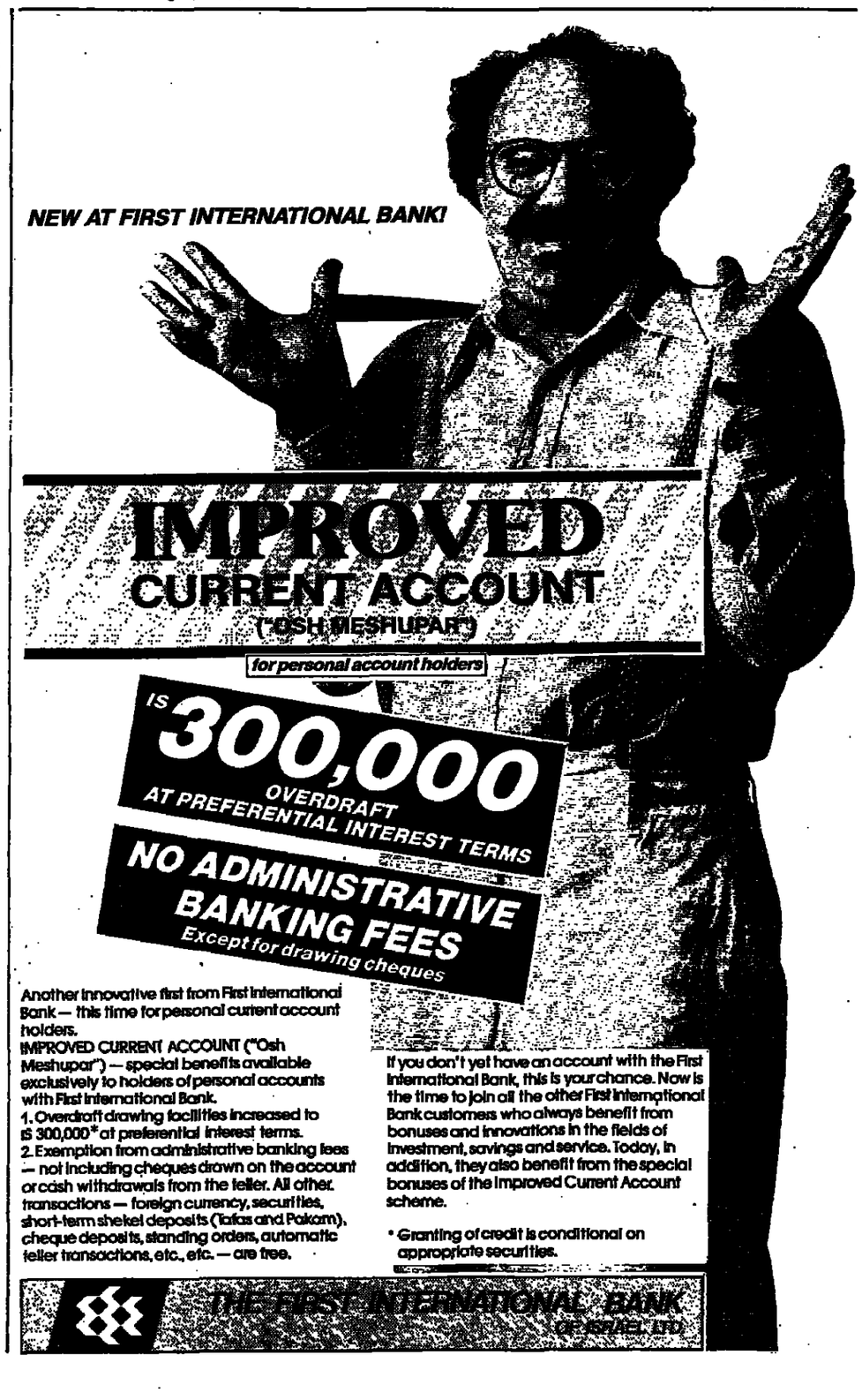
As expected, the government issued several thousand back-to-work orders to essential workers. Those who received them were advised to report to work, but to "work to rule."

Histadrut officials noted that the government did not issue wholesale back-to-work orders, as it had done in the past.

The headquarters received several reports during the morning of employers pressuring their workers to work. In most cases, a telephone call from the Histadrut ensured that the strike was maintained. But there were other cases of employees volunteering to work despite the union's orders.

Among those work places breaking the strike were a number of concerns owned by Hevrat HaOvdim, the Histadrut's own holding company. Such attempts were reported from the Hamashbir Lezarchan branch in Dizengoff Street, Tel

(Continued on Page 3)



terest rates won't fall; public shift to shekels seen

By PINHAS LANDAU
Post Finance Reporter

Bank of Israel has no intention raising interest rates, despite ...s on Sunday and Monday that ... of the economic plan.

..., interest rates for ...m short-term shekel ...ely to fall soon if the ...from dollar-linked to ..., as expected by ... and the commer-

... Mandelbaum ... bank heads on Monday to discuss monetary policy in the opening stages of the emergency stabilization plan.

The original drafts of the plan had spoken of imposing ceilings on bank credit – in effect money rationing. However, the final version contained no mention of ceilings and instead cited "the need to restrain credit growth."

The Bank of Israel had assumed that demand for loans would zoom in the wake of a credit-rationing policy and it intended to use interest rates to match supply of and demand for money, banking sources said. This resulted in reports of an imminent 3% rise in borrowing costs. However, this idea was shot down by the Treasury and replaced with other ways of preventing the banks from giving bigger loans to their customers.

The Bank of Israel itself denies this version of events and claims that raising interest rates is just one of the ways by which it could control the demand for loans and the banks' willingness to grant them.

The central bank can – and, according to some financial commentators, will – soon raise its liquidity requirements for the commercial banks, drawing money out of the system. It can also insist that the banks repay some of their outstanding loans to the central bank – the so-called monetary loans, or cre-

(Continued on Page 2, Col. 6)

THE JERUSALEM POST was prevented from appearing yesterday because of the 24-hour general strike of its constituent unions called by the Histadrut.

The weather at major Swissair destinations

1.7.85

	MIN. C	MIN. F	MAX. C	MAX. F	
AMSTERDAM	14	57	24	75	Cloudy
BRUSSELS	10	50	25	77	Clear
BUENOS AIRES	8	46	18	64	Cloudy
CHICAGO	11	52	27	81	Clear
COPENHAGEN	12	54	18	64	Cloudy
FRANKFURT	12	54	24	75	Clear
GENEVA	16	61	28	82	Cloudy
HELSINKI	11	52	15	59	Cloudy
HONG KONG	27	81	31	88	Cloudy
JOHANNESBURG	5	41	18	64	Clear
LISBON	16	61	27	81	Clear
LONDON	15	59	24	75	Clear
MADRID	18	64	38	100	Clear
MONTREAL	17	63	26	79	Cloudy
NEW YORK	16	61	26	79	Cloudy
OSLO	12	54	21	70	Cloudy
PARIS	14	57	26	79	Clear
RIO DE JANEIRO	14	57	32	90	Cloudy
SAO PAULO	15	59	25	77	Cloudy
STOCKHOLM	11	52	17	63	Cloudy
TOKYO	22	72	26	79	Rain
TORONTO	13	55	23	73	Rain
VIENNA	13	55	25	77	Rain
ZURICH	10	50	27	81	Cloudy

*For the latest weather conditions contact Swissair.

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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	41	16-27	28
Golan	44	15-30	30
Safad	—	—29	29
Haifa Port	64	23-28	28
Tiberias	40	22-35	36
Nazareth	—	—	—
Afula	43	21-31	32
Shomron	42	18-30	30
Tel Aviv	66	—28	28
B-G Airport	63	21-28	29
Jericho	35	21-35	36
Gaza	73	22-27	28
Beersheba	—	—	—
Eilat	22	23-39	40

SOCIAL & PERSONAL

President Chaim Herzog and his wife Aura last night gave a dinner in their residence for former U.S. ambassador to the UN Jeane Kirkpatrick. Foreign Minister Yitzhak Shamir also attended.

Ambassador of Canada and Mrs. Vernon Turner on Monday held a reception at their Ramat Hasharon residence to celebrate Canada's National Day.

Prof. Yehuda Bauer, of the Hebrew University of Jerusalem, will speak on "New Discoveries in Research on the Holocaust" at 8 o'clock this evening in Beit Agron. The lecture, the first in a series on current topics, is sponsored jointly by the Jerusalem Journalists Association and the Municipality.

Ya'acov ("Dry Bones") Kirschen, cartoonist of *The Jerusalem Post*, will be the speaker at the Jerusalem Rotary Club Ladies Night and changeover ceremony at Beit Meirsdorf on the Hebrew University's Mt. Scopus campus at 8 o'clock today.

Bus fares double today

Bus transport fares go up today by 100 per cent in accordance with the government's decision to cut the public transportation subsidy by that amount.

As to *sherut* taxi fares, which the government recently increased by 28 per cent, the spokesman said that the ministry will adjust rates according to the new bus fares. (Itim)

Syrian diplomat sent home from Britain

LONDON. – Ahmed Rajab, the Syrian diplomat at the centre of a row between his government and Britain over his refusal to quit a rented flat despite a court order instructing him to do so, has been withdrawn by the Syrian ambassador. He left Britain quietly after a clear instruction from the foreign office that failure to go would result in his expulsion.

Labour, Likud factions criticize Levy, Magen

By SARAH HONIG
Post Political Reporter

TEL AVIV. – The Labour and Likud Knesset factions yesterday gave their support in separate meetings to the new economic programme. The Labour meeting was marked by a bitter clash between Prime Minister Shimon Peres and Histadrut Secretary-General Yisrael Kessar.

A majority exists in the Labour faction's executive that Deputy Prime Minister David Levy resign. Levy absented himself – as far off as Migdal Ha'emek – from yesterday's Knesset plenum vote on the programme. By so doing, he maintained his opposition to the plan, yet refrained from voting his non-confidence in the government.

The Labour faction executive is to discuss the Levy affair today, as well as the Likud MK David Magen's vote against the plan.

The Likud Knesset faction is also likely to take up the Levy and Magen affairs today. While Levy is unlikely to come under much fire, Magen is expected to face a battery of critics for having flouted party discipline in a confidence vote in the government.

In the Labour meeting, Peres said he was now entrusted "with no less than saving the economy and the future of this nation after seven years of the most unspeakable Likud mismanagement."

The faction, which met with the Labour Political Bureau and representatives of several workers councils, finally approved the government's economic plan and the prime minister's position. But it called for cooperation between the government and the Histadrut and noted that all Labour governments have hitherto made sure that wages and working conditions were decided on in close coordination between the government and the Histadrut.

Peres and Kessar spoke emotionally and resolutely. Kessar warned against an economic Yom Kippur, and blamed the government for "taking from the little man, from the wage earner, from the middle income family, while leaving the rich and those who speculate with capital with almost no burden to shoulder."

Peres replied, "We are in a life and death war. There was no choice but to opt for this plan to fight inflation. I found the state coffers empty when I took over. The banks were empty. For the past seven years the government printed and borrowed money and I found myself having to save the state of Israel from ruin."

At the Likud meeting Vice Premier Yitzhak Shamir strongly supported the economic plan which the Likud Knesset faction, including most of the ministers who had opposed it a day earlier in the cabinet, yesterday endorsed.

Many speakers criticized various aspects of the plan, but the majority, including ministers Moshe Arens and Moshe Katsav, who had voted against the plan in the cabinet, argued that now that it had been adopted everything must be done to see that it succeeds.

Shamir said that "differences of opinion are legitimate and I can understand the Likud ministers who felt they could not support the plan. But now this plan has been approved by the cabinet and it is the only one we have. We must all join in to make sure that it succeeds. We are working to rescue the economy. That is what is at stake."

Three MKs, the Likud's Histadrut leader Ya'acov Shamai, Dov Shilansky and David Magen, were absolutely opposed to the plan. Magen was the only one who voted against the plan in the Knesset plenum as well. Shamai absented himself from both the plenum and factional votes. Shilansky opposed the plan in the faction, but voted with his party in the plenum.

Magen, Ariel Sharon's one loyal supporter in the Herut faction, demanded that the faction return the plan back to the government or that it "get out of this government altogether. No less than 70 per cent of the ministers representing this faction voted against the plan. If this means anything, we should quit the government."



TV reporter Oded Shahar takes a nap, while Galei Zahal reporter Henni Bar-Yosef reads during the marathon cabinet meeting that began Sunday midday and ended Monday morning. (Dan Landau)

Resignation and resentment greet new economic laws

By MICHAEL YUDELMAN and YITZHAK OKED
Jerusalem Post Reporters

TEL AVIV. – "Business as usual" seemed to be the motto on Rehov Dizengoff here yesterday as the general strike was hardly noticed by shoppers and café-goers, while drivers found it easier to find parking places.

Prices at most clothing stores were as yet unchanged. One far-from-cheap boutique at the Dizengoff Centre was full of buyers. The Carmel and Bezalel open-air markets were also crowded, but the usually aggressive vendors were subdued, as if unsure about their sales strategy.

When asked about the new economic measures, many people expressed anger and resentment, but there was also resignation.

Of several dozen people approached only one was in full support. But even he thought that, with all the best intentions in the world, Prime Minister Shimon Peres had too many elements working against him.

There was a widespread feeling of distrust in the government, mingled with general apathy and resignation.

Business in black market dollars at the corner of Lilienblum and Allenby streets was restrained. After soaring to IS1,750 in the morning, the dollar settled at IS1,600 towards noon, only IS100 above the new representative rate. Many who came to the area actually wanted to sell dollars, rather than buy them.

Vendors of cigarettes from the West Bank almost attracted more attention than dealers in dollars.

Peres defends plan, sees U.S. support

By MICHAL YUDELMAN
Jerusalem Post Reporter

Prime Minister Shimon Peres yesterday rejected the Histadrut's claim that the new economic decrees constitute a 30-per cent wage cut, stating that the cut would be 10 or 12 per cent.

Speaking at the annual convention of the Israel-American Chamber of Commerce, Peres said that the economic measures will help Israel's ties with the U.S. He noted that Israel will sell many government-owned industries in order to encourage private and public investment and as part of the government's gradual withdrawal from the capital market.

PM: Peretz spoke as rabbi, not minister

Post Knesset Reporter

Prime Minister Shimon Peres said yesterday that the statement of Interior Minister Yitzhak Peretz attributing the recent fatal bus-train collision to Sabbath desecration was made in his capacity as a rabbi and not as a member of the government.

Peres was replying to an urgent motion for the agenda by Chaike Grossman (Mapam), who asked whether the view expressed by Peretz was that of the government. She also asked the prime minister what he intended to do to keep Israel from being pictured as a country whose interior minister is full of prejudices, alarms the citizens with collective punishment for sins, and has anti-scientific views. The prime minister said that he did not agree with that view. He quoted the minister as having said, "God is in heaven, and man is on earth. It follows that man is incompetent to keep the accounts of the Creator."

"I agree with that," Peres said. "Neither the interior minister nor the government of Israel can substitute for the Creator."

Grossman and Yossi Sarid (CRM) described Peretz's outlook as "Khomeinism." The prime minister protested against the use of that term.

'Propose changes to plan at joint talks'

TEL AVIV. – A call to the Histadrut to propose changes in the new economic programme in talks with the employers and the government was made yesterday by Eli Hurvitz, president of the Manufacturers Association. Speaking at a seminar devoted to the new free trade zone with the U.S., Hurvitz said that wage erosion is the sole alternative to unemployment in the public sector.

The Histadrut, the government and the employers all agree that erosion is necessary, he said. The only question is the degree of erosion, he said.

New bill increases education levy

Post Knesset Reporter

National Insurance premiums will be increased by 1 per cent in order to cover a shortage in the Education Ministry budget, under a bill that passed its first reading in the Knesset yesterday.

The bill, presented by Education Minister Yitzhak Navon, replaces the education levy bill that would have applied to parents of school pupils only. The opposition of the Finance Committee forced the government to switch to a general levy.

Coalition as well as opposition members spoke against the bill, but the vote was nevertheless along coalition-opposition lines. The coalition members' attendance, however, was poor.

The bill increases the 0.6 per cent education levy, imposed in 1978 when secondary education was made free, to 1.6 per cent of income subject to National Insurance payments.

Navon said the revenue from the levy would ensure the continuation of free secondary education.

CONFIDENCE

(Continued from Page One)

Moda'i said in presenting his plan to the House on Monday that the aim was to bring down inflation within a few months from the present monthly average of 15 per cent to "the European level". Simultaneously, the plan aims to increase, or at least halt the decline in, our foreign currency reserves. It should bring about a significant improvement in our balance of payments in the course of the coming year.

Yigael Cohen-Orgad (Likud), a former finance minister said in a highly critical speech that both the prime minister and the finance minister should stop spreading illusions – that inflation will drop to three per cent a month after three months for example, or that the plan will reduce unemployment. He said that ensuring the profitability of exports is essential.

Histadrut Secretary-General Yisrael Kessar charged that the government would bring down the workers' standard of living by 30 to 35 per cent. Contrary to Moda'i's talk of an equal sharing of the burden by all sectors, it was only the workers who would be hit by the new measures, he said.

INTEREST

(Continued from Page One)

dit windows. It can also sell bonds and bills in the market, or increase its issues of new government bonds.

All these are methods of soaking up the money that almost everyone is convinced will start pouring into the shekel-denominated bank accounts as soon as the banks reopen today.

The man in the street, fortified by experience from the first package deal in November, knows that his best option for investing excess shekels is in short-term deposits – assuming the price freeze holds and the devaluation rate is cut to almost nothing.

Interest rates are between 13-15% per month on these accounts, but some banks intend to lower the rates as early as today, assuming the public moves away from dollar-linked assets – which were all the rage in the run-up to Sunday's devaluation. Dollar-linked accounts have served their purpose and are likely to be bypassed in favour of other alternatives.

One immediate result of such a change in the public's taste would be to glut banks with shekels after last month's shortage.

To prevent banks from lending savers' deposits, the Bank of Israel will have to adopt one or more of the above strategies. This would result in a fall, and not a rise, in interest rates for borrowers and lenders.

Large-scale conversions of both legally and illegally-held dollars into shekels would benefit almost everyone: the government's foreign exchange reserves would rise, the banks would not have to worry about liquidity and the saver would make a large return in dollar terms, as long as the exchange rate remains frozen.

Only borrowers of bank loans would lose, because the cost of borrowed money would be very high at a time of zero inflation and devaluation.

The public, however, also remembers that in January, when it became apparent that package deal 1 had not worked out as hoped, they had to switch back out of shekels into dollar-linked investments. If the new plan succeeds in weaning the public from basing its thinking in dollars it will have wrought a major change.

LABOUR SPLIT

(Continued from Page One)

Histadrut Secretary-General Yisrael Kessar is not fighting against a Likud creation. The tragedy, as one senior Histadrut figure put it yesterday, is that Kessar's struggle is against a wing of his own party – and their respective world views could hardly be further apart. Ironically, Kessar finds himself on the same side of the barricades as Likud populists David Levy and Ya'acov Shamai, whose social ideology far more closely approximates his own than does that of many Knesset members of his own party.

Kessar maintains that he remains faithful to his party's principles. "I accept every word of the party's economic platform," he said earlier this week. In Kessar's view, it is Peres and the party's Knesset leadership who have strayed from true Labour principles. Peres of course, is less concerned with principles than with taking what he believes to be the only steps that can save the economy.

In the divide between the two constituencies stands Labour Party Secretary-General Uzi Baram, on whose shoulders has fallen the task of attempting to bridge the gap. He does so at a fateful moment, in the face of pressures that could tear the party apart. Baram has been at the centre of the efforts this week to reconcile the differences between Peres and Kessar. He played a major role in bringing about the negotiations that are due to begin today.

Baram and Kessar have discovered a community of interests in recent weeks, and the result has been the emergence of a *de facto* alliance between the two. Both are interested in preserving their respective power bases (for Kessar the Histadrut; for Baram the party apparatus) from the harm that could befall them as a result of the party's participaction in the national unity government. In return for Baram's support in party forums, Kessar has reportedly agreed to throw Histadrut resources behind the party.

The clash between Peres and Kessar has been brewing ever since the establishment of the National Unity Government. Though their dispute is primarily over economic goals and means, it has been exacerbated by personal antagonisms between the two. Both, of course, deny any personal elements, but party insiders speak of a growing rivalry due to Kessar's flaunted independence and his growing popularity both within and without the party. Ever since Kessar's solid victory in the recent Histadrut elections, the word has gone out that he is angling for Peres's seat.

The Likud has been reduced to a supporting role in the struggle over the economic programme, though it could well emerge as the main political beneficiary. The opposition of Levy and five other Likud ministers did not prevent the adoption of the programme, but Kessar's opposition brought Peres and Moda'i to the negotiating table.

The solution to the current dispute will have to be a political solution, worked out between rival Labour Party forums. But no feasible solution will heal the deep rifts in the party. Whether Peres wins or Kessar wins, the party is likely to be the loser.

We share with the family
their very deep grief
on the death of

BETTY LEVY ז"ל

The Amid Family
Kings' Hotel, Jerusalem

ad703-10-f24

In deep sorrow and grief,
we announce the passing of our beloved

BAT SHEVA — BETTY LEVY

Daughter of Asher Rosenthal ז"ל

The funeral will take place at Kiryat Shaul Cemetery at 3 p.m. today, Wednesday, July 3, 1985 (Tammuz 14, 5745).
A bus will leave from the deceased's home, 45 Sharett St., corner Weizmann, Tel Aviv, at 2 p.m.

Husband: **Albert Levy**
Daughter: **Marlene, and Asher Amid**
Son: **Solly, and Galia Levy**
Grandchildren: **Daphna and Shlomo Lipsy**
Shirley and Elinor Levy
Great-granddaughter: **Hallelee Lipsy**
The Levy, Rosenthal, Krook, Amid, Meiri, Soffer and Amir families

Shiva at the deceased's home.

ad704-10-f24

In honour of the שלושים of

Grand Rabbi

MOSHE HOROWITZ זצ"ל

The Bostoner Rebbe – N.Y.

There will be a סיום [משנה] and הספד
at Yeshivat Hayei Olam, 1 Malkhei Israel St. (Geula), Jerusalem,
on Thursday, July 4, 1985, Tamuz 15, 5745, at 7.30 p.m.

Transport to Har Hazeitim at 5.30 p.m.
from Hofman Travel Agency, 1 Yona St. (Geula).

ad693-31-f30

Our beloved husband, father and grandfather

ISAAC (Itche) CACKIEWICZ ז"ל

passed away on Saturday, June 29th 1985.

The funeral was held on Tuesday, July 2, 1985, at 4 p.m. at the Kiryat Shaul cemetery.

He will be sadly missed

Wife: **Hanka**
Daughters: **Betty, Janet**
Sons-in-law: **Eddie, Louis**
Grandchildren: **Emmy, Shelly, Danny, Tali**

ad646-20-f24

We sadly announce the death of our friend

Architect

SHIMSHON ZOLTAN HARMAT ז"ל

among the builders of Jerusalem

The funeral took place yesterday, July 2, 1985.

Israel Katz

In great sorrow we announce the death of

HARRY HAIM BENYAMIN ז"ל

The funeral took place in Jerusalem, on Tuesday, July 2, 1985 (Tammuz 13, 5745).

The mourners:
His wife, **Miriam**
His sister, **Alice Sasson and Family**
Wallach, Sasson and Feuchtwanger Families

Shiva at the home of the Sasson Family, 41 Rehov Hapisga, Bayit Vegan, Jerusalem.

ad668-10-f24

On the thirtieth day after the passing of

SOLOMON ERENBERG (Solly)

a memorial service and the unveiling of the tombstone will take place on Thursday, July 4, 1985 at 4.30 p.m. at the Be'er Tuvia cemetery.

The Family
Moshav Orot

ad670-10-f24

J.N.F. of America — Keren Kayemeth Leisrael

Religious Organizations Department

The unveiling of the tombstone of the late

BINA ROTHENBERG ע"ה

wife of Rabbi Emanuel D. Rothenberg

will take place אי"ה on Sunday, July 7, 1985, Tamuz 18, 5745, at 9.30 a.m. at Har Hamenuhot Jerusalem. We will meet in the parking area at 9.25 a.m. Those requiring transport, please call: Tel. 02-242040, 8.00 a.m.-2.30 p.m., Wednesday through Friday (12.00 p.m.)

'Moda'i has given up,' Ata workers claim

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. – Ata workers yesterday accused Finance Minister Yitzhak Moda'i of washing his hands of the Ata crisis and refusing to consider any proposals to save the textile company. Works committee representatives are scheduled to meet Prime Minister Shimon Peres today to discuss the crisis in the company and the question of paying the workers their June salaries.

Workers meanwhile have said that Moda'i has consistently refused to meet them to discuss the situation.

Works committee member Benny Nidan said Jack Nasser, the head of an American-Swiss consortium which has offered to buy Ata, had also requested meetings with Moda'i, but to no avail.

Nidan said that the Clal concern had also renewed its interest in taking over Ata but first wanted to discuss certain points with Moda'i.

He charged that Moda'i had made himself unavailable and it appeared he was not interested in any proposal that would save the textile firm and the jobs of its nearly 900 workers.

The Haifa District Court is to make a decision in the next few days on whether Ata's receivers or the government should pay the employees' wages. A submission for an order requiring the receivers to pay was made to the court by the Haifa Labour Council on Monday.

The workers warned that if nothing emerges from their talks with Peres, and Moda'i continues to refuse their calls for a meeting, they will take "drastic measures."

With blazing tires, hundreds of Ata workers closed the main Haifa-Acre road outside the Kurdaneh plant for two hours on Monday morning.

There were scuffles when some drivers tried to break through the human barrier. The drivers were turned back and only army and emergency vehicles were allowed to pass.

After almost two hours, the workers were eventually persuaded to disperse after police threatened to break up their unlicensed demonstration.

Nidan warned yesterday that Monday's protest was only a taste of what was to come if they did not receive their June wages or a favourable decision over the fate of their firm.



A woman attacks a police officer after her son was arrested in Monday night's demonstration in the Patt quarter of Jerusalem. (Rahamim Israeli)

Riot in Patt quarter

By ROBERT ROSENBERG
Jerusalem Post Reporter

Fifteen people were arrested and four border policemen were injured during a riot in the Patt quarter of Jerusalem on Monday night.

The disturbance was in response to the government's announcement of price increases and budget cuts.

Observers said the rioting was encouraged by street-corner rabble-rousing by several former activists of organizations that have sprung up and died in the Jerusalem slum quarters since the early Seventies.

Police twice used batons as they waded into a crowd of about 150 that blocked traffic on the main road between Patt and the Gilo neighbourhood. People in the crowd burned tires and waved hastily scrawled posters condemning the new economic policy.

The disturbance was mild compared to similar, but larger and more widespread protests that broke out in the capital when then-Finance Minister Yigael Hurvitz cut dairy subsidies, observers said.

Car dealers, garages open – but Dubek still on strike

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. – The garage owners yesterday decided to end their three-day strike, but the Dubek cigarette company will remain closed.

Zvi Pick, secretary of the Israel Garage Association, told *The Jerusalem Post* that while they had only received a 31 per cent increase in their government-controlled rates they need a further 20 per cent. He said that they will negotiate with the government over the remaining 20 per cent.

The president of the Automobile Importers Association, Arye Carasso, told *The Post* that he did not know how long the showrooms, garages, and spares shops would continue to remain open. He said that despite the 31 per cent increase in their rates, car dealers were still losing money on every new car they sold.

Meanwhile, Zorach Gehl, owner and managing director of Dubek, told *The Post* last night that his plants will continue to remain closed as they have been for the past nine days. Dubek reached an agreement with the Ministry of Industry on Monday on a 41 per cent increase. But Gehl claims that officials at the ministry had made a simple arithmetical mistake, pegging the increase at 41 instead of 54 per cent.

Until this is corrected Dubek will not return to production, Gehl said.

An agreement has been reached with the importers of foreign cigarettes which should again be available in larger quantities from this morning.

Tourism Ministry fears the axe

By HAIM SHAPIRO
Jerusalem Post Reporter

Following the government's new economic measures, officials at the Tourism Ministry yesterday expressed fears that their ministry may suffer drastic cuts.

Almost certain to go are its two semi-autonomous corporations. The one is the Government Tourist Corporation, which arranges government loans for tourist-oriented projects, such as hotels, restaurants, shops and amusement centres. The other is the Government Tourist Development Corporation, which is involved in the infrastructure of tourist sites and deals with landscaping and planning of public areas.

A critical eye is almost certain to be cast on the vulnerable Israel Government Tourist Offices abroad. For years critics have claimed that the offices could be run in conjunction with El Al or the embassies, although thus far the ministry has managed to hold out against them.

There are 15 such offices, six in North America, eight in Europe and one in South Africa. The offices in Boston, Brussels and Buenos Aires were recently closed, but a new economy drive could result in further closures.

The ministry spokeswoman scoffed at the idea that the Tourism Ministry could be the focus of major cutbacks. *After all*, she reasoned, it only has 200 employees. But with a sizable proportion of these in the much sought-after jobs abroad, ministry officials could well have reason to fear that the axe is about to fall where it will hurt most.

20 Arab MKs by 1999, says political scientist

Jerusalem Post Reporter

There may be 20 Arabs sitting in the Knesset by the end of the century, Haifa University political scientist Prof. Gabriel Ben-Dor, said on Monday. Speaking at a conference at the Hebrew University on multi-ethnic societies, he said that Israeli Arabs "may change the rules of the game in Israeli politics."

Ben-Dor pointed out that "a huge reservoir" of Arab voters exists. The Arab population is younger and has a higher birthrate than the Jewish in Israel.

More Arabs are now voting than in previous years and they are choosing "a free and authentic expression of Palestinian identity" rather than the Zionist parties. "We are witnessing the beginning of a process in which Israeli Arabs will test the limits of the Israeli democratic system," he said.

Many young Arabs, voting for the first time in the last Knesset elections, cast their ballots for the Progressive List for Peace. Arabs who now abstain from voting are radicals who don't want to accord legitimacy to the State or its political system, he said.

Ben-Dor is also chairman of the Israel Political Science Association.



Commander of the civil guard, Nitzav Baruch Levi, seen yesterday as he took over the post from Nitzav Shaul Giboli. (Harari)

Peres: There was no time left

Jerusalem Post Staff

This week's stringent economic measures were taken "to prevent an actual collapse" of the country's economy, Prime Minister Shimon Peres said on Monday.

Speaking forcefully in an interview on Israel Television's Mabat programme, the prime minister said that "there was no time left, we had to adopt acute measures."

Peres said the moves were taken "not out of ideology, but out of responsibility." Inflation, he told interviewers Ya'acov Ahemeir and Haim Plattner, was as much a danger to the country as the imposition of emergency regulations under which the economic recovery programme was put into force. He explained that the nation's foreign currency reserves were rapidly running out, and that had steps not been taken, there would not be funds to purchase fuel, essential foodstuffs and raw materials.

Admitting he was not an economist, Peres said those experts with whom he had consulted said there was a good chance inflation would decline to "a normal level" within the next three months.

Peres said he had not made the decision easily. He called on the Israeli public, on workers and business people, to cooperate in extricating the country from its current economic straits. He said he was offering "sweat and tears – and hope. Don't forget the hope. It's not sweat for the sake of sweat and tears for the sake of tears."

Teachers threaten not to reopen schools

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. – The Histadrut Teachers Union has declared a labour dispute in the wake of the government's economic measures and threatens not to open the schools on September 1 unless all teachers who have been dismissed are reinstated.

What has aroused the teachers' anger is the government's decision to postpone for a year benefits they were to have received in September under the Etzioni agreement.

The Histadrut Teachers Union had originally volunteered to postpone these benefits, in return for a promise that no teachers would be fired, but the rival Secondary School Teachers Association refused to play along and the idea was shelved.

Now, the cabinet has decided to accomplish the same thing by administrative decree.

The union also decided not to negotiate with the government until the administrative orders postponing the implementation of the Etzioni agreement are cancelled.

At yesterday's meeting, the union Central Committee empowered union leaders to take all necessary steps, up to and including not opening the schools, to protect teachers' jobs and to get the administrative orders cancelled.

Meanwhile, Shoshana Bayer, chairman of the Secondary School Teachers Association, blames the rival Histadrut union for putting the idea of postponing the Etzioni increases into the ministers' heads.

She complained that teachers are being used as scapegoats in the economic crisis, and are being asked to give up more, and for longer, than other sectors. She said her union will not take it quietly, though it has not yet threatened to strike.

German youths impressed by visit

BONN (JTA). – Twenty-seven youths from Bremen in north Germany gave a positive account of their 10-week stay in Israel during a visit sponsored by the local labour office.

The youths said that their stay in a kibbutz was a good training for future jobs and gave them a better understanding of Israel and its problems.

The programme, designed to help unemployed youths to prepare themselves for their working lives, included half a year of studies and work in Germany.

The stay in a kibbutz was financed by the local authorities and a private association carrying the name "Shalom-Salam."

The Bremen labour office plans to send more groups of unemployed youths to Israel.

Lessons from bus disaster could benefit future outings

By GREER FAY CASHMAN
Jerusalem Post Reporter

Clearer guidelines for organizing school trips and the route surveys preceding them were some of the recommendations made by a seven-member commission appointed by Education Minister Yitzak Navon following the June 11 disaster at the Moshav Habonim level crossing.

The collision between a bus and a train claimed 22 lives. Nineteen of those killed were pupils at the Brenner school in Petah Tikva. Fifteen people were injured.

The commission, headed by Yosef Dor, director of the Education Ministry's institutional division, presented its recommendations to Navon on Monday.

Noting that the organizers of the outing had followed standard Ministry procedures, the commission discovered that they had not checked whether the bus driver held a valid licence, or whether the bus bore signs indicating that it was transporting children.

It was also revealed that insurance forms for volunteer escorts had not been filled out and that no list had been made of the names of the pupils in each bus.

Because of the errors made in identifying some victims of the crash, the commission recommended that children should carry identity cards with their photos.

Dor asked Egged representatives to install two-way radios in all convoys carrying school children, so that drivers could communicate with one another in case of emergency. Egged agreed to the request.

The commission also recommended that special forms be supplied to participants in school outings on which they could list any safety hazards encountered.



Dealers in Tel Aviv's "Polish market" traded black dollars yesterday at little over the official rate of IS1,500. Some of the customers even came to sell the dollars they had purchased a day or two earlier at inflated prices. (IPPA)

STRIKE TURNOUT

(Continued from Page One)

Aviv, Tadiran, and a number of Coop branches.

The streets of Tel Aviv were much less crowded than on normal weekdays. The buses which seemed to be moving faster through the less congested streets, were not overcrowded, but the passengers were not in a holiday mood, and preferred not to answer when questioned about the strike or about the government's new economic programme.

Motorists had a 24-hour break from the hazards of the "Denver boot" and many took advantage of this by parking illegally throughout the city, including in front of bus stops and in spaces reserved for disabled.

Bus services did not seem to be affected as more members of the bus cooperatives than usual took the wheel, replacing the striking hired-drivers.

The Israel Electric Corporation workers also took part in the strike, and from about 7.30 a.m. till about 10.30 a.m. there were short power cuts in various parts of the country.

In Jerusalem, government offices, the Hebrew University and the Jewish Agency were all closed. Many merchants remained open throughout the day, including the travel agents – one of whom reported that there were very few Israeli clients.

The capital's trendy down-town pedestrian mall was crowded as usual. The sidewalk cafes were jam-packed with tourists as well as Israelis, who plainly felt they could afford the Champ d'Elysees-type prices charged for the privilege of enjoying a leisurely drink while watching the crowds go by.

President Chaim Herzog, although a member of the Histadrut, worked as usual yesterday, with the assistance of a skeleton staff at Beit Hanassi.

At the opening of yesterday's debate on the economic plan, Speaker Shlomo Hillel read a letter he had received from the Knesset staff committee saying that although the Knesset workers had never before joined a general strike, they thought that the present case warranted their doing so. But they accepted Hillel's written reply that since the Knesset is the symbol of the people's sovereignty and the highest public forum for the people's elected representatives, a strike in the Knesset was inconceivable.

In the Haifa area, more than 100,000 workers answered the strike call, according to the Haifa Labour Council. Most factories were closed and there was no work carried out at the Haifa port. Israel Railways was also at a standstill.

The exceptions to the strike were science-based industries on the Hof Hacarmel complex where workers have individual contracts.

Many people took advantage of the strike day by going to the beach or "window shopping" in the Hadar Hacarmel neighbourhood, where privately owned shops and businesses were open as usual.

In Beersheba, trucks and heavy earth-moving machines blocked off the city's southern exit to Ramat Hovav yesterday morning for an hour and a half. Police cleared the road in the end without recourse to violence.

But violence erupted when a group of zealous volunteers tried to prevent workers from getting to their jobs at the Beta plant after it was learned that its director refused to shut down the city's only science-based factory for the day.

The city's buses are run by the municipality, so the drivers were also on strike. The Electric Corporation caused sporadic hour-long electricity black-outs throughout the city.

Finns weighed cutting ties with Israel

By MICHAEL EILAN
Jerusalem Post Reporter

Israel was unaware that Finland had contemplated cutting diplomatic relations with Israel while Finnish Unifil troops were being held by the South Lebanon Army last month.

Finnish President Mauno Koivisto said in an interview in two Finnish newspapers on Monday that Helsinki had indeed thought of cutting off diplomatic relations at one stage of the crisis.

Now that the crisis is over, Koivisto expressed the hope that the normally good relations between the two countries would not suffer as a result of the incident.

Official Jerusalem shares this hope.

It is understood that, after the UN issued its report showing the bizarre part played by Finnish officers in the affair, the government in Helsinki was slightly embarrassed – especially since it had sincerely believed its own officers' report at the beginning of the affair.

Twenty-three Finnish Unifil soldiers had been held by the SLA for nearly two weeks after the Finns had helped a group of Shia militia members to defect to Amal while the militiamen pretended to have been captured.

Foreign currency reserves dip by $73m.

By AVI TEMKIN

Foreign currency reserves dropped by $73 million last month, the Bank of Israel announced yesterday. By the end of June, the reserves were $1,952m.

Prior to the publication of the figures, it had been feared that the central bank would be forced to announce a dive of $300 million since a loan which had matured had been repaid to the U.S. last month.

The smaller figure indicates that loans of $200m.-$250m. were taken abroad to lessen the drop.

Economic observers point out that the state of the foreign currency reserves convinced Prime Minister Shimon Peres that strong measures were called for instead of the gradual approach he had favoured for nine months.

Meanwhile, the Treasury announced that some IS132.5 billion was pumped into the economy during June although the government raised some IS39b. in the capital market. Thus, the excess of government spending over revenue was more than IS170b. last month.

According to the Treasury, government spending last month was 2 per cent less than in May, although some large seasonal payments were made to cover credits to exporters.

Zamir defends stand on MK's immunity

Post Knesset Reporter

Attorney-General Yitzhak Zamir told the House Committee yesterday that he is being portrayed in the news media as the accused, in his request that the committee remove the parliamentary immunity of Shlomo Amar (Alignment-Yahad) so that he can stand trial for violation of the Wiretapping Law.

Zamir said that despite the requests made by several committee members that he reconsider his request, he is acting in accordance with his conscience and the principle of equality before the law.

He said it was unfair for committee members to accuse the police and Yehoshua Paran, chairman of the Egged control committee, of political persecution (of Amar) when they are not present to defend themselves.

Zamir will continue to defend his request at next Tuesday's meeting of the committee.

Dan Shilon dropped from race for TV director

By GREER FAY CASHMAN
Jerusalem Post Reporter

Dan Shilon, a potential front-runner for the vacant directorship of Israel Television, has been dropped from the race.

In a dramatic reversal of its earlier decision, the Broadcasting Authority plenum on Sunday revoked a regulation which had been tailored to enable Shilon to compete for the job.

Because Shilon has no university degree, he was ruled ineligible half a year ago for the post of director.

A committee subsequently worked out a series of proposals which facilitated Shilon's candidature. Twelve years of experience in broadcasting were recognized in lieu of a university degree.

But on Sunday, Prof. Shimon Sachs, who had not attended the meeting which voted to amend the conditions of the tender, revived the issue of educational qualifications.

When the issue was again put to the vote, most of the Labour representatives in the plenum walked out. Even if they had stayed, the proposal paving the way for Shilon would have been defeated. Only two people, one of them IBA chairman Micha Yinon, voted to retain the amendment to the tender.

The term of acting director of Israel Television, Yosef Bar-El, expires in mid-September.

Eric Rouleau new French envoy to Tunis

PARIS (JTA) – French Jewish journalist Eric Rouleau, 58, was yesterday appointed ambassador to Tunisia. Rouleau, a veteran *Le Monde* correspondent, has covered the Middle East for the last 20 years. As ambassador to Tunisia, he will also be in charge of French relations with the PLO and the Arab League. Both these organizations have their headquarters in Tunis, the capital.

Born in Egypt, Rouleau first worked for the French News Agency (AFP) and joined *Le Monde* in 1962. He has travelled extensively in the Middle East and is an expert on Iranian affairs. Jewish organizations in France and Israeli diplomats have often accused him of anti-Israel bias, which he has denied.

Michael Albeck – new Bar Ilan president

RAMAT GAN. – Prof. Michael Albeck, rector of Bar Ilan University, was yesterday elected as the university's new president by the Board of Governors. Albeck, who received his Ph.D. in chemistry from Hebrew University in 1962, has been on the Bar Ilan faculty since 1966. Twice chairman of the Natural Sciences Department and rector since 1982, he has actively encouraged Bar-Ilan scientists to enter applied research so that results can be sold to commercial companies.

The university senate is expected to appoint a new rector by January 1, when Albeck becomes president.

The incumbent president, Prof. Emanuel Rackman, will become the university's chancellor.

FOLKLORE. – The Anahnu Kan (We Are Here) folk ensemble has been inscribed in the Jewish National Fund's Golden Book, to mark the 13th anniversary of its arrival in Israel from the Soviet Union. It has performed some 700 times in the past 13 years.

Gutman wins opener in int'l chess tourney

BIENNE, Switzerland (AP). – Grandmasters Andrei Sokolov of the Soviet Union and Vlastimil Jansa of Czechoslovakia were among first-round winners as the B-interzonal chess tournament, one of three first qualifying meets to help determine the challenger of the new world champion, began here on Monday.

But most audience attention went to Israel's International Master Lev Gutman, who defeated Cuban Grandmaster Amador Rodriguez in 37 moves, playing black.

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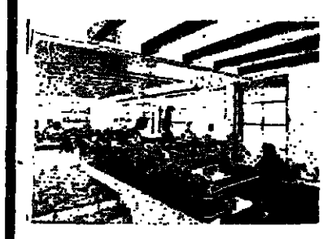
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GIVE SOLDIERS LIFTS

Peres' hard day's night

By ROBERT ROSENBERG / Jerusalem Post Reporter

Like a Las Vegas gambler on an all-night roll, Prime Minister Shimon Peres went to his office on Sunday morning believing that he could beat the odds with "risk and hope" and win a victory for his political career, his government's survival and the nation's economy.

He emerged from his office 24 hours later with a two-thirds cabinet majority for an unprecedented economic programme based on emergency regulations and dependant, he said, "on the courage of the government...(and) the patience of the public."

Three times during the long day and night of cabinet deliberations, Peres made clear to the often rebellious ministers that failure to agree on the entire package proposed by Finance Minister Yitzhak Moda'i would be the "failure of the entire government."

And three times he warned his cabinet colleagues that their "democratic obligation" would be to back the policy, once the majority had ruled.

He called on "every citizen to help," saying that "together we can overcome the tremendous difficulties still ahead."

Nevertheless, minutes after the end of the longest cabinet meeting in Israeli history, Deputy Prime Minister David Levy was telling reporters that the programme was "unjust, won't cut inflation, and was decided upon in a terrible manner." Asked whether he had offered a plan of his own, Levy said he had "been demanding a programme since the first month of the national unity government, and apparently my demands made some people uneasy."

Sources close to the premier said after the meeting that Peres did not threaten ministers that they back the policy, "or else!"

But the sources made it clear that Peres would "go over the heads" of the mostly Likud critics, in public appearances, to answer criticism. Some 12 hours after he won his cabinet majority, the premier gave a lengthy interview to Israel TV's news programme in which he stated bluntly that he expected every minister to back the plan, "in words and deeds."

It was only after 13 hours of cabinet talks, at 2 a.m. on Monday, that Peres and Moda'i began to feel they were turning the tide of political opposition that had threatened, even before the meeting, to scuttle both the economic programme and the coalition.

And it still took another seven and a half hours before the unshaven and bleary-eyed ministers stepped into daylight to tell the nation of their support for – and opposition to – the plan.

The longest session had opened with a briefing by Economic Development Minister Gad Ya'acobi, who explained his five-year plan for the economy to the ministers. But it was evident to all around the long cabinet table in the Prime Minister's Office that Ya'acobi's plan was irrelevant to an economy unable to reach stabilization.

Once Ya'acobi finished, the spotlight moved to Moda'i and Hebrew University Professor Michael Bruno, who since the May Histadrut elections has been working closely with Treasury officials on the multi-faceted programme.

The two – Moda'i at times forceful, at times soft-spoken, and Bruno with a perpetual smile on his face – spoke for several hours, lecturing the cabinet on the condition of the economy and the meaning of the plan they were offering.

Dozens of times during the night, in response to ministers' opposition and pleas for leniency concerning their budgets, Moda'i would have to insist: "For this plan to work, all of its elements must be implemented. It's all or nothing. There can be no half-way measures."



Prime Minister Peres emerges from the longest cabinet session in Israel's history. (Dan Landau)

Yet again and again, said sources who attended the meeting, ministers sought to introduce alternative proposals.

At one point somebody suggested a deeper cut in the Defence Ministry budget. "You're all heroes when it comes to the Defence Ministry, said a bitter Minister Yitzhak Rabin, whose abstention in the final vote roused troubling questions for the Labour Party about the former premier's relationship with the current premier.

Minister without Portfolio Ezer Weizman shot back: "There's no alternative. Besides, our defence posture is strong now."

Moda'i and Bruno talked late into Sunday night, but suggestions that the session be adjourned until the following day were rejected by Peres. "We'll remain here until we've decided," he said. "We can no longer postpone the decisions. This is our last chance."

Sandwiches were brought into the cabinet room, and at 9 several ministers huddled around a television set in one of the side rooms to see Israel TV's report of the deliberations.

Between midnight and 2, opposition to the plan was at its strongest.

Industry and Trade Minister Ariel Sharon complained: "They (the Labour Party) will make the Likud ministers sign the emergency orders to look like the bad guys," and snapped at his Likud colleague Justice Minister Moshe Nissim: "Don't you understand what a cynical political game they are playing?"

Peres shot back from across the table: "It is the cabinet's decision, and the entire government will bear the responsibility for all that is decided here."

Collective responsibility was the theme of many of Peres' remarks. That, combined with the concern he and other ministers expressed about "not making promises, and instead making sure that the plans are implemented," seemed to be at the heart of the Treasury's insistence on absolute authority to make the budget cuts, rather than leaving the cutting to the individual ministers.

"Trust," said the sources, was what Peres and Moda'i meant as they stressed over and over again that past experience had shown that ministers weren't able to stick to the discipline of government-decided budget cuts.

The Treasury knew that this time emergency regulations would be at the heart of the plan, to ensure that Knesset committees do not delay the programme. Former finance minister Yigael Hurvitz said later that he had been referring to emergency regulations for years when talking about "forfeiting a little democracy in exchange for economic health."

At 2 a.m., with opposition from the tiring ministers fading after a round of sometimes shouted complaints about the severity of the economic programme, Peres, who had allowed Moda'i free reign for much of the earlier part of the session, picked up the 76-page proposal.

Page by page, he demanded a cabinet vote on each item. There was no need for a count, since the hands in favour of each item seemed to go up and down according to whose ministry was affected: nobody voted for a cut in his own ministry and yet a majority voted for each cut.

Communications Minister Amnon Rubinstein, who applauded the plan for its delinkage of the cost of living allowance and subsidy cuts, complained about the effect of the cut on his ministry's plans for development.

Justice Minister Moshe Nissim worried aloud about his budget.

Police Minister Haim Bar-Lev, apparently prescient about the small riot that would take place on Monday night in Jerusalem's Patt Quarter, warned that the police would need help to face the social turmoil that would result from such "necessary but painful" measures.

All these worries fell on deaf ears, however, as Moda'i and Peres cut and cut again from budgets, cancelling this tax exemption and that loophole.

And Vice Premier Yitzhak Shamir remained silent the entire time, voting yes on practically every item.

And so it went on, until 5 a.m., with ministers sometimes dozing off and others going repeatedly to the washroom to wipe their faces with damp towels.

Levy asked Peres: "How do you expect exhausted ministers, who are falling asleep, to make decisions?"

"That's what I've been waiting for all night," said Peres, only half in jest, aware that Sharon, who with Levy had been the most vocal cabinet opponent, had still not ended his opposition to the programme.

"It was evident that Sharon has something up his sleeve, but it wasn't yet clear what," said a minister who supported the programme later. The ministers would soon find out.

The finance minister went into the cabinet meeting with a plan to cut the budget by at least $750m. Peres, Moda'i and Bruno had stressed that anything less would mean failure for the plan. And there was no secret about Peres' intention to "go to the president" and resign if the plan was not passed in its entirety.

But at 6, there was still $100m missing. Everything seemed stymied. Sharon and Levy made some threatening noises, raising questions about issues that the plan's proponents thought had been resolved hours earlier.

Energy Minister Moshe Shahal suggested the extra $100m. be cut across the board.

Instead, the prime minister took a list of ministries, and said he would decide how much each ministry would lose. The large ministries, like defence, health, and education, which had already suffered in previous budget-cutting sessions, would get away with another half a per cent each, he said.

But then Peres read out the names of the smaller ministries, and for each one he announced cuts ranging from a low of 3 per cent to the 10 per cent he cut from his own budget.

Shortly before 7, Peres and Moda'i thought they had wrapped up the entire deal, and they left the meeting room to prepare for live broadcasts to the nation.

But then Sharon stepped out of the meeting room with several Likud ministers in tow for as long as it took for the premier and finance ministers to rally for – and then cancel – their early morning media appearances. Sharon ran the Likud caucus, threatening, said some sources, to pull out of the government, seeking unanimous Likud opposition to the plan.

Peres and Moda'i scotched the TV and radio statements and went back into the meeting, aware that Peres might shortly have to go to the president to resign, rather than to the Knesset for a vote of confidence.

To their relief, they found that Sharon's rebellion had failed to find unanimous Likud support. Shamir, Moda'i and Transport Minister Haim Corfu remained firmly behind the plan.

The final vote came shortly before 9, and there were no surprises. The seven Likud ministers who had met earlier under Sharon's leadership, voted against – Sharon, Levy, Nissim, Moshe Arens, Gideon Patt, Moshe Katsav and Avraham Sharir.

The entire Labour Party contingent – except Rabin, who abstained – and all the small parties in the coalition, backed the plan.

The longest cabinet meeting in the country's history, longer even than the 21-hour meeting that followed Menachem Begin's resignation and Yitzhak Shamir's appointment as prime minister, had finally ended.

Yet in Peres' brief comments to reporters outside, who had already heard Levy compare the programme to "a bag of cement on the shoulders of a man forced to run," it was evident that the prime minister knew that his was indeed the gambler's victory, with more danger still ahead.

Those envious of his victory would harp, and those who had lost might seek to meet him in the dark alleys of strikes, sanctions and social unrest.

Likud bid to shift responsibility to Labour

By SARAH HONIG / Post Political Reporter

TEL AVIV. – In a repeat of their conduct when the issue of the Lebanon withdrawal came up before the government, only three Likud ministers voted in favour of the economic plan, Labour sources said. And some sources in both parties are predicting that the national unity government may not survive long, now that an impression has been created that the economic measures are Labour's, with the Likud largely against them.

The three Likud ministers who voted for the measures all had good personal reasons for doing so. Chief among the plan's supporters on the Likud side was Finance Minister Yitzhak Moda'i, who, after all, wrote most of it. A more significant vote of Likud support came from Vice Premier Yitzhak Shamir. Shamir said nothing during the arduous cabinet deliberations and did not endorse the plan or push for its adoption at the Likud ministerial caucus.

But Shamir's support was regarded as all but inevitable. He knew full well that if the plan were not adopted the national unity government would immediately come crashing down. Shamir has every reason to prolong the government's life: he wants his turn at the helm when Shimon Peres' two years are up.

The only other Likud minister supporting Moda'i was Herut's Transport Minister Haim Corfu, who, alone among Likud ministers, can be regarded as a loyal Shamir man.

The seven Likud ministers who voted against can be divided into several groups. Moda'i's fellow Liberal Ministers – Avraham Sharir, Moshe Nissim and Gideon Patt – were almost certain to oppose anything Moda'i came up with, thanks to the long-standing rivalry between them, aggravated by the humiliating defeat dealt them by Moda'i at the recent party convention.

The next group is the Herut welfare lobby, whose most outspoken representative is Deputy Premier David Levy, with Labour and Social Affairs Minister Moshe Katsav not far behind. Levy, in fact, fits into another category as well – that of Shamir's rivals for the Herut leadership. They would not be as sorry as Shamir if the government came down and Shamir did not get his turn as premier.

All the remaining Likud ministers are such potential rivals. Apart from Levy, they include Ariel Sharon and Moshe Arens. Sharon, who has lately been linked in an *ad hoc* alliance with former finance minister Yoram Aridor, suggested that Aridor's original dollarization plan be revived and implemented instead of the Moda'i-Peres proposal.

Whatever the Likud ministers' motives in opposing the plan, the fact remains that the impression created is that the economic measures are far more Labour's than the Likud's. Quite simply, they received more Labour than Likud support, despite the fact that Peres is right in noting that the entire cabinet shares responsibility for the plan.

Political insiders in both the Likud and Labour believed yesterday that were the plan to succeed, the main beneficiaries would be Peres and Labour. Were the plan to fail, the Likud could say "we told you so," and the heavy political price would have to be borne by Labour alone.

All this, say the experts in both parties, make the prolonged survival of this government rather doubtful.

If the plan is successful, say the sources, it is unlikely that Peres would go ahead with the rotation agreement and hand over to the Likud a house which he helped put in order while taking most of the political risk himself. Success would tempt Peres to try his party's luck in early elections, or in forming a narrow coalition. Such a coalition might prove an easier task since Labour's fortunes would be on the rise and the smaller Likud satellites would be more likely to switch their allegiance.

The plan's failure would lead to a more bitter round of recriminations and acrimony than the already shaky coalition has known thus far.

A possible foretaste of the likely recriminations were served after the cabinet vote when Labour Party Secretary-General Uzi Baram noted that: "The Likud once more has demonstrated that it is unwilling to extricate the nation from the sad results of its policies. This is exactly what happened in the vote on the Lebanon pullback. The Likud ministers know full well that the situation is critical but for them this is the time to switch to populism and demagoguery. The Likud is unwilling to see a government headed by Peres solve this country's economic ills, because that would be electorally disadvantageous for the Likud at the polls."

The Likud's Ehud Olmert countered by asserting that "the Likud ministers voted as they did, each according to the dictates of his conscience. Everyone knows that this is no joke. In fact the Likud governments in the not too recent past also entertained the notion of enforcing economic measures with emergency regulations, but we could not do so for fear of the unrest and violent reaction which the Labour Party and the Histadrut would have unleashed against a Likud government which dared employ such methods. This government could do what no Likud government in the past would have been allowed to do."

'Grim Grom,' the Kremlin survivor

By PETER MILLAR

MOSCOW (Reuter). – Andrei Gromyko, named Soviet president yesterday, has moved out of a 28-year career during which he met almost every world leader and became known as "the eternal foreign minister."

Gromyko is expected to continue to oversee and guide Soviet foreign policy in his new role, but the largely ceremonial presidency comes as an honourable reward for a man who has represented Moscow to the world for almost four decades and helped reshape the world after World War II.

He has conferred with every president of the U.S. since dictator Josef Stalin promoted him to high office when scarcely 30 years old and sent him as ambassador to Franklin Roosevelt's Washington in 1943.

He helped draft the United Nations Charter and took part in the Teheran, Yalta and Potsdam conferences which reshaped the post-war world. At that time Ronald Reagan was an actor in Hollywood, Margaret Thatcher an undergraduate at Oxford and Mikhail Gorbachev a 14-year-old schoolboy in Southern Russia.

As chief Soviet delegate to the U.N. he ardently supported the Palestine partition resolution in 1947 and worked for the consequent establishment and international recognition of the State of Israel.

In the nuclear age he negotiated arms control agreements and countless accords codifying the Soviet Union's relations with the rest of the world.

As foreign minister he maintained some of the hardest Soviet foreign policy lines and was dubbed "Grim Grom" because of his dour style, or "Mr. Nyet" after he cast 25 vetoes in the U.N. Security Council.

He is an easily recognizable figure, tall and stooping with a lop-sided grin which medical men say could be the result of a minor stroke. He turns 76 on July 18.

Despite his implacable and laconic style, matched by his sombre suits and dour public attitude, he is a man of dry wit when moved to use it.

When a visiting foreign minister to Moscow once questioned him about a Politburo reshuffle, Gromyko shrugged his shoulders and said: "You know how it is here – a bit like the Bermuda Triangle. From time to time one of us disappears."

He is a survivor who stayed in office through four changes of power in the Kremlin to reach his present important role as elder statesman and power-broker who lent his authority to the relatively youthful Gorbachev when he proposed him as Communist Party leader in March.

Gromyko was reported to have told foreign diplomats during a recent trip to Helsinki that he was tired with the endless international shuttle his job as foreign minister involved.

Appointed foreign minister by Nikita Khrushchev in 1957, he at first appeared little more than a foil for his leader, a long-suffering "straight man" on the receiving end of often humiliating jokes.

Khrushchev once said: "If I ask Gromyko to take off his trousers and sit on a block of ice, he will obey and he will stay there until I tell him to move."

But when Khrushchev was ousted in 1964, Gromyko remained and by working with his successor, Leonid Brezhnev, gradually built up his own authority, culminating in his election as a full Politburo member in late 1973.

Gromyko also cultivated a political relationship with Dimitri Ustinov, who became Soviet defence minister in 1976.

Some Western observers saw this alliance as giving crucial support to Yuri Andropov as the next Soviet leader after Brezhnev's death in 1982 and again in ensuring the choice of Konstantin Chernenko following Andropov's death in 1984.

As Andropov's illness steadily worsened during his 15 months in power, diplomats said Gromyko was handling Soviet foreign policy alone, shaping Moscow's attitude to the U.S. on such issues as nuclear missile reduction.

He was a formidable opponent at the negotiating table.

Former U.S. Secretary of State Henry Kissinger recalled in his memoirs: "Gromyko knew every shade of a subject. It was suicidal to negotiate with him without mastering the record."

Born in Tsarist Russia on July 18, 1909, at the village of Gromyki near Minsk, he joined the Communist Party at 22 and was soon picked out for specialist training, qualifying in economics and political science at the Moscow Institute of Economics.

He studied American society and politics.

By the age of 30, he was working for Stalin's foreign minister Vyacheslav Molotov in Moscow. His skills quickly earned him a posting to Washington and his promotion as Ambassador there in 1943.

In 1946 he became the Soviet Union's first permanent representative to the newly-formed United Nations.

After a brief spell as ambassador to London, he returned to Moscow on Stalin's death in 1953.

He is married with two children and has generally appeared in robust health, but medical experts have said he appeared increasingly frail over the past year.

Diplomats who attended a U.N. Day reception last week said Gromyko and his wife Lydia, one of the few Kremlin women to make regular public appearances with her husband, appeared to have a valedictory tone as they shook hands with their guests.

Soviet Union's new minister is foreign affairs tyro

MOSCOW (Reuter). – Georgian Communist Party chief Eduard Shevardnadze has rocketed to prominence in the space of 24 hours, being made a full Politburo member Monday and foreign minister to replace Andrei Gromyko yesterday.

Shevardnadze, 57, with relatively limited foreign affairs experience, has the daunting task of matching veteran diplomat Gromyko, who headed the ministry for 28 years and became one of the world's best-known Kremlin figures.

A history teacher by training, Shevardnadze has spent most of his career in the party apparatus and Interior Ministry in the southern Soviet republic, where he gained a reputation for dealing vigorously with corruption and for economic innovations.

His rapid and unexpected rise reflects Soviet leader Mikhail Gorbachev's approval for Shevardnadze's approach and his desire to introduce new blood into the Communist hierarchy, even at the upper reaches of the Kremlin leadership.

Although he was made a full member of the ruling Politburo at a party central committee plenum Monday after seven years as a candidate (non-voting) member, few expected his climb to continue so soon and no one predicted he would go so high.

He sat impassively yesterday as Prime Minister Nikolai Tikhonov proposed him for the post during a meeting of the Supreme Soviet (parliament) which meets biannually in the Kremlin. He did not make an acceptance speech after his unanimous election.

Western diplomats said Shevardnadze's relative youth – he is three years older than Gorbachev and 18 years younger than Gromyko – clearly counted in his favour.

Although an able administrator, he has, however, limited foreign affairs experience and is not known to speak any foreign language.

He has visited some nine countries, including Austria, India, Brazil, Portugal and Moscow's East Bloc allies, but usually as a middle-ranking official in parliamentary or party delegations.

The diplomats believe his inexperience in this field shows that Gromyko is likely to continue to play a part in Kremlin foreign policy for the time being.

As Georgian party chief, he is best known for employing a tough but open policy and seeking grass roots opinion from the man-in-the-street. He has spoken out with unusual candour on social problems.

Eduard Amvrosievich Shevardnadze was born in Mamati, a small town in southern Georgia, on January 25, 1928 and was a party member by the young age of 20.

He worked in the Communist youth organization, Komsomol, and by 1953, the year fellow Georgian Josef Stalin died, he was heading a regional Komsomol body.

From the mid-1960s until he became party chief he was active in the Georgian Ministry for Public Order where he helped put down occasional nationalist protests by students who felt their ancient language was being eroded by Russian.

GROMYKO

(Continued from Page One)

reflected Gorbachev's political debt to Gromyko after he gave him decisive backing for the leadership following Chernenko's death.

Proposing him yesterday, Gorbachev said Gromyko was an "eminent political activist" and a "man of great experience and knowledge."

The veteran minister pledged in a brief speech after the Soviet's unanimous vote "to make every effort to fulfil honourably my duty towards my party and country."

As president, or chairman of the presidium of the Supreme Soviet, Gromyko's main formal function will be to represent the state in dealing with foreign statesmen. In practice, the party general-secretary is the nation's leader and conducts the country's foreign affairs.

Brezhnev combined the posts in 1977 after the removal of Nikolai Podgorny on the basis that this gave greater prestige to the party chief and put him on an equal footing with foreign heads of state like the U.S. president.

Western diplomats had largely dismissed rumours over the past week that Gromyko could be appointed president because in April last year Gorbachev had himself proposed Chernenko to the presidency, saying it was now accepted practice that the party leader should represent the state.

Diplomats saw the switch as further evidence of Gorbachev's unquestioned authority as national leader, a position which he further consolidated with the removal from the Politburo on Monday of his old arch-rival Grigory Romanov.

Monday's central committee session, which approved Romanov's departure, also elevated Shevardnadze from the rank of non-voting to full member of the 13-man Politburo.

President Chaim Herzog yesterday sent a congratulatory cable to Andrei Gromyko upon his election as President of the USSR. Herzog, who knew Gromyko during his service at the UN in the mid 1970s, recalled the Soviet leader's role in supporting the establishment of the State of Israel at the UN in 1947 and 1948. "Your election is only one more step in a distinguished career, parts of which are enshrined in the heart of the people of Israel," Herzog wrote.

Europeans launch rocket to meet Halley's Comet

KOUROU, French Guyana (AP). – The European Space Agency yesterday launched its Giotto spacecraft, Europe's first interplanetary probe, which is to sail to a 1986 rendezvous with the famed Halley's Comet.

If all goes well, Giotto, being carried into space by ESA's Ariane rocket, is to approach within 500 kilometres of the dust-shrouded nucleus of the comet and photograph, measure and gather data on its components. The rendezvous is scheduled for March 13, 1986.

Ariane took off at 8:22 a.m. local time, nine minutes behind schedule. Fifteen minutes later, Giotto, separating from Ariane, was thrust into what is called a parking orbit, ESA said. The satellite's onboard motor was due to kick it into space on its fourth orbit of the earth.

"It's a complete success," space centre officials said.

Giotto, built by British Aerospace for the 11-nation ESA, is named after the 14th-century Florentine painter Giotto Di Bondone, who saw Halley's Comet in 1301 and portrayed it as the Star of Bethlehem in a painting of the birth of Jesus.

Halley's, the most famous of the comets, has been observed for at least 3,000 years. It is named after Edmond Halley who saw it in 1607 and predicted its 76-year cycle around the sun.

Giotto is carrying 10 separate experiment packages to study the comet, which according to some theoreticians is a snowball of ice, dust and gases dating back to the formation of the solar system 4.6 billion years ago.

Bush: U.S., France narrow differences over Star Wars

PARIS (Reuter). – U.S. Vice President George Bush said yesterday his talks with French President Francois Mitterrand helped narrow differences over President Reagan's strategic defence initiative (SDI) and Western Europe's "Eureka" space research programme.

"I found there is no incompatibility between SDI and Eureka. They (France) understand us and we understand them much more deeply after this meeting," Bush told a news conference at the end of a two-day official visit here.

The U.S. administration had expressed strong irritation at Mitterrand's tough stand against Reagan's initiative, popularly known as Stars Wars, during last May's summit involving seven major Western powers.

Despite the French government's hostility to SDI, several French firms have said they could take part in the programmes, and Bush said Mitterrand's position on this is softening.

Bush later left for London, the last stop on his tour. He also visited Rome, Bonn, The Hague, Brussels and Geneva.

Meanwhile, the French armed forces chief of staff urged Europeans not to ignore the militarization of space, a reference to SDI.

"Faced with that challenge and possible geostrategic developments, it would be salutary for the Europeans to agree to mobilise themselves" in support of SDI, he wrote.

General Jeannou Lacaze, who is due to retire August 1, listed several steps he believed France needed to take to remedy deficiencies in its defence in a magazine article.

In addition to supporting SDI, he recommended that France stockpile chemical weapons, production and deployment of the neutron bomb, and an increase in air power to provide air cover for a new land-based strike force.

Bomb aimed at U.S. military in Athens

ATHENS (AP). – A bomb on Monday wrecked five cars parked outside a seaside hotel used as a billet for U.S. military personnel, but caused no injuries, Greek police and U.S. military officials said.

A police spokesman said a home-made bomb, "probably a kind of Molotov cocktail," went off at 3 a.m. beneath a vehicle left in a public parking lot outside the Apollon Palace Hotel in Athens.

India jet's 'black box' eludes discovery

CORK, Ireland (AP). – The chances of recovering the flight recorder from the Air-India jumbo jet that crashed into the Atlantic off the Irish coast last week, killing all 329 persons aboard, appear to be receding.

The Irish government's information service said last Friday that the British Navy seabed operations vessel HMS Challenger had picked up underwater electronic bleeps which "tentatively" located the recorder.

But the British Defence Ministry insisted then that the recorder had not been positively located or identified and despite an intensive search, no bleeps have been heard since to indicate the possible presence of the recorder 1,820 metres below the surface.

An Irish official closely involved in the operation said Monday night: "We have to face the fact that the signal intercepted on Friday might not have been from the recorder at all, but we are determined to keep on looking."

Taiwan deaf-mutes caught after muggings

TAIPEI (Reuter). – Police say they have cracked a gang of deaf-mute robbers and are now questioning three suspects in sign language.

A police official said detectives began investigations last month after several people were mugged in the street in total silence.

The victims were mostly people who had just withdrawn large sums of money from the bank.

No weapons were used in the robberies but some victims had complained they were beaten up when they tried to ask questions.

Hand grenade kills two black children in South Africa

JOHANNESBURG (AP). – Two black children were killed and their father seriously injured by a hand grenade thrown into their home late Monday in a township near here, police reported. Nearly 20,000 black gold miners returned to work after a violent two-day strike.

In Lusaka, a bomb damaged a gate and windows at the Southern Africa headquarters of the African National Congress, the main guerrilla group seeking to end white-minority control in South Africa. An ANC spokesman said by telephone that no one was injured.

The spokesman said he did not know who had placed the bomb Monday night near the main street of the Zambian capital. A spokesman for South Africa's military forces, who have conducted anti-ANC raids in Lesotho, Mozambique and – two weeks ago – in Botswana, said he had no knowledge of the incident.

More than 400 blacks have been killed since anti-apartheid rioting broke out in black communities 10 months ago. Most were victims of clashes with police. Others died in assaults on local officials seen as fronting for white rule, or in fighting between rival anti-apartheid organizations.

Black leaders say some killings attributed to black infighting have been carried out by government agents.

Swiss accuse Soviet diplomat of spying

BERNE (Reuter). – Switzerland has accused a Soviet diplomat working in Geneva of spying and declared him *persona non grata*, the public prosecutor's office said.

The office did not name the diplomat, a second secretary at the Soviet Union's permanent mission to the United Nations.

It said on Sunday that the man had tried to gather information about Swiss civil defence, the army's first-aid operations and protection measures against nuclear and chemical weapons.

A spokesman declined to say if he had been successful. He also said that the diplomat had tried to recruit an agent to work against "a Western defence alliance." He was not more specific.

UK mint to help India overcome coin shortage

NEW DELHI (Reuter). – The Indian government has asked a private British mint to help it to replace the sweets, tokens and contraceptives which are often given as change because of the country's chronic coin shortage.

In an order believed to be the biggest placed with any mint, the Birmingham mint is to provide India with 500m. one rupee (eight cent) coins over the next nine months, the British High Commission said yesterday.

N-BLAST. – The Soviet Union detonated a powerful underground device on Sunday, its fourth nuclear test this year, the Swedish Defence Ministry's Hagfors Observatory reported on Monday.



Captain John Testrake of the hijacked TWA airliner is hugged by one of his fellow hostages on their safe arrival at the Rhein-Main U.S. air base on Monday morning. He is watched by First Officer Philip Maresca. (Reuter telephoto)

30 Americans fly home

FRANKFURT, West Germany (AP). – Thirty of the Americans who were held hostage for 17 days by Shi'ite Moslems in Beirut took off from the Frankfurt U.S. air base yesterday on the final leg of their long journey home.

The remaining nine freed Americans were making other arrangements for returning home, U.S. officials said.

A crowd of about 300 people, many waving small American flags, cheered and applauded as the freed Americans, accompanied by about 40 family members, boarded the TWA L-1101 Tristar. The plane was headed for Andrews Air Force Base just outside Washington, D.C.

The White House announced that President Ronald Reagan would welcome the former hostages at Andrews upon their mid-afternoon arrival there, (midnight Israel Summer Time).

Robert B. Oakley, director of the State Department's office for combating terrorism, said of the 10 former hostages who stayed behind: "Some will stay in Europe a little longer and a couple have already left."

A spokesman for the hostage reception in West Germany said that one or two of the former hostages might spend another night at the U.S. military hospital in nearby Wiesbaden for further medical tests.

All 39 of the freed American hostages had arrived at the Rhein-Main base at dawn Monday from Damascus, after they were released Sunday in Beirut by their Shi'ite Moslem captors, who held them for 17 days.

Vice President George Bush had interrupted a European tour to welcome the hostages.

About 300 U.S. servicemen and their families singing "God Bless America" and waving welcome signs greeted them.

Bush praised their courage and spirit and said: "You are back and America did not compromise her principles to get you back."

Several of the former hostages expressed gratitude and respect toward Amal, which had guarded and finally liberated them, in an interview Monday.

They gave Amal credit for defusing a volatile situation and said the Shi'ites had treated the hostages humanely.

"Without them (Amal), we very likely would have been killed. It seems very likely," said the Rev. Thomas Dempsey, 49, of St. Charles, Illinois.

"They feel more or less like they owe their lives to the Amal," said Lois Conwell, the mother of hijacking victim Allyn Conwell.

All the hostages interviewed differentiated sharply between the hijackers of the TWA jet and the Shi'ite groups who kept them in captivity once they were removed from the plane in Beirut on June 16.

"I don't have any sympathy for anyone who participates in a hijacking and the murder of innocent people," Robert Trautmann, 37, of Loredo, Texas, said. "The people who hijacked us were animals."

"I am still angry with the hijackers, and I think they should be punished," said Arthur Toga, 33, of St. Louis.

Toga said the captives did not see the hijackers again after they left the plane and were taken to apartments around Beirut.

He said some of the hostages became good friends with their captors. "Some were more friendly than others, some were more angry than others," he said.

U.S. military and State Department officials did not appear surprised by the sympathetic statements the hostages made about their captors.

"It is not unusual for such feelings to develop in such a situation," said U.S. Navy Capt. Jay Coupe, director of public affairs at the U.S. European Command in Stuttgart.

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Sybil Zimmerman



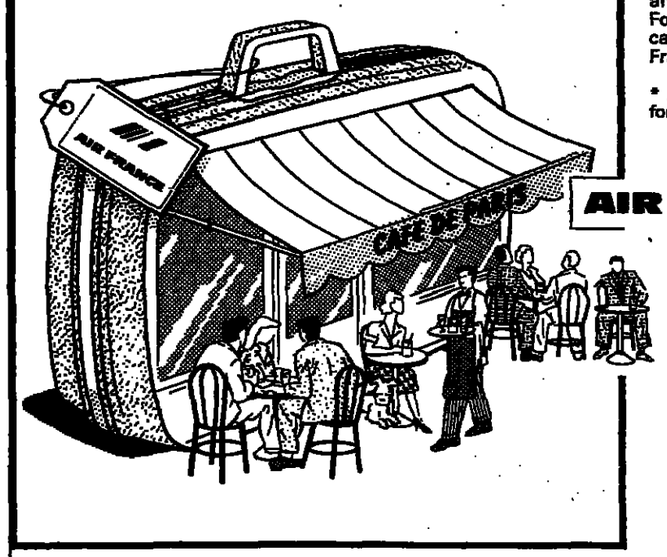
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Brave Becker and stylish Leconte charm Wimbledon again

WIMBLEDON (AP). – John McEnroe and Martina Navratilova, the defending men's and women's champions, swept into the quarter-finals of the Wimbledon tennis championships yesterday along with Chris Evert Lloyd and Jimmy Connors.

But in two of the biggest upsets of the tournament, Ivan Lendl, the No. 2 seed, crashed out in four sets against the stylish Henri Leconte of France, while in the women's event, fourth-seeded Manuela Maleeva of Bulgaria was ousted by Molly Van Nostrand, a little-known qualifier from the U.S.

Boris Becker, the West German teenager, bravely overcame an ankle injury to continue his remarkable charge through the men's division and knocked out Tim Mayotte, seeded 16 and a grass court specialist.

Leconte, a gifted left-hander, sent Lendl crashing out with a 3-6, 6-4, 6-4, 6-1 upset. The powerful, broad-shouldered Frenchman, who will be 22 tomorrow and has promised greatness for the last few years, scored the finest victory of his career as he overtook and finally broke the world's second ranking player.

In today's quarterfinal, Leconte will take on another prodigy, unseeded 17-year-old Becker, who continued his rampage by knocking out Mayotte 6-3, 4-6, 6-7, 7-6, 6-2. Their victories ensured that the men's event will have an unseeded semi-finalist for the ninth successive year.

Lendl was slow hand-clapped off the court following his defeat by Leconte, largely because he had a noisy argument with the umpire after a service was called out in the sixth game of the final set. But by then he was a beaten man as Leconte, ranked 26th in the world, moved relentlessly toward his fifth victory in eight meetings with the 25-year-old Czech.

The sports pages are edited by Philip Gillon and Yaron Kenan.



NOTHING TO DESPAIR OVER, REALLY – Boris Becker, the West German tennis wonder in action at Wimbledon. (Reuter)

David Grant adds: On Monday Lendl had powered his way past the Israeli champion Shlomo Glickstein.

Despite playing well in the first two sets, Glickstein was eventually overwhelmed 7-6, 4-6, 6-3, 6-2.

The first set was only settled after a tie break. Having gone with serve throughout, Lendl took the clincher 7-3.

Glickstein produced an excellent series of shots during the second set. This coupled with a high number of double faults from his opponent enabled him to take 4-2 advantage which he never lost.

Lendl quickly, however, regained top championship form and overwhelmed the Israeli champ in the third set pressing home his advantage 3-1. By the fourth set Glickstein still had a chance of causing an upset and at one stage even held a two-one lead.

Becker became the youngest Wimbledon men's quarter-finalist since Bjorn Borg reached the last eight in 1973. Borg was 17 years 22 days old when he lost to Britian's Roger Taylor in five sets, eight months younger than Becker now.

While his 3½ hour match against Mayotte did not appeal to the purists out on court 14, the sheer raw power of Becker was awesome to behold.

Mayotte, a Wimbledon semi-finalist in 1982 and quarter-finalist in 1981, is renowned as a man who blasts every ball as if he never wants to see it again. For most of the match that ambition was fulfilled – for Becker simply smashed the ball past Mayotte with interest.

Becker's fans endured a moment of torment with Mayotte serving at 30-15 in the 12th game of the 4th set when the West German crashed to the grass clutching his left leg. Last year Becker was carried off the court at Wimbledon after injuring his right leg when leading Bill Scanlon two sets to one in the third round. For a few anxious minutes it appeared the teenager would suffer the same cruel fate.

But he recovered, won the fourth set tiebreak 7-5, then received treatment from his coach before the start of the final set.

The drama appeared to unsettle Mayotte and the American was never the same force again.

Pirates compound Met agony

NEW YORK (AP). – The Pittsburgh Pirates got a fine pitching performance from Rick Reuschel and John Candelaria and some timely hitting from Marvell Wynne to beat New York 1-0 on Monday night and hand the slumping Mets their sixth straight loss in National League baseball.

The struggling Mets were only able to manage six hits off the combined efforts of Reuschel, 6-1, and Candelaria, while extending their losing streak to the longest of the season.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Toronto	46	29	.613	—
Detroit	42	30	.583	2½
New York	38	34	.528	6½
Baltimore	37	35	.514	7½
Boston	38	36	.514	7½
Milwaukee	34	37	.479	10
Cleveland	24	49	.329	21

WEST DIVISION

California	41	33	.554	—
Oakland	40	34	.541	1
Kansas City	37	36	.507	3½
Seattle	37	37	.500	4
Chicago	35	36	.493	4½
Minnesota	33	39	.458	7
Texas	29	46	.387	12½

Monday's Games: New York 4, Toronto 1; Detroit 7, Baltimore 1; Milwaukee 5, Boston 1; Texas 10, California 5; Oakland 4, Kansas City 3; Cleveland 5, Minnesota 2; Seattle 3, Chicago 1.

Sunday's Games: Toronto 6, Detroit 5; Milwaukee 7, New York 5; Baltimore 3, Boston 0; Minnesota 4, Chicago 3; Kansas City 3, California 1; Cleveland 7, Seattle 3; Oakland 7, Texas 4.

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
St. Louis	43	30	.589	—
Montreal	44	32	.579	½
Chicago	38	33	.535	3½
New York	38	35	.521	5
Philadelphia	32	41	.438	11
Pittsburgh	25	47	.347	17½

WEST DIVISION

San Diego	45	30	.600	—
Cincinnati	38	34	.528	5
Los Angeles	39	34	.534	5
Houston	36	36	.500	7½
Atlanta	34	40	.459	10½
San Francisco	27	49	.355	18½

Monday's Games: Montreal 3, St. Louis 2, 10 innings; Atlanta 4, San Francisco 1; Pittsburgh 1, New York 0; Chicago 3, Philadelphia 1; Los Angeles 8, Cincinnati 1; San Diego 6, Houston 5, 10 innings.

Sunday's Games: Philadelphia 3, Montreal 2; Chicago 9, Pittsburgh 2; St. Louis 2, New York 1, 11 innings; Houston 6, San Francisco 2, 1st game end 4-7 in the 2nd; Los Angeles 4, Atlanta 3; Cincinnati 3, San Diego 2.

MEN'S SINGLES, FOURTH ROUND: John McEnroe (1), def. Andreas Maurer, W.G., 6-0, 6-4, 6-2.
Henri Leconte, France, def. Ivan Lendl (2), Czech., 3-6, 6-4, 6-3, 6-1.
Kevin Curren (8), U.S., def. Stefan Edberg (14), Sw., 7-6 (7-4), 6-3, 7-6 (7-3).
Heinz Guenthardt, Switz., def. Vijay Amritraj, India, 6-4, 6-4, 6-1.
Jimmy Connors (3), def. Sammy Giammalva, U.S., 6-3, 6-4, 6-3.
Anders Jarryd (5), Sw., def. Danie Visser, S.A., 6-1, 6-4, 6-1.
Boris Becker, W.G., beat Tim Mayotte, U.S., 6-3, 4-6, 6-7, 7-6, 6-2.
Ricardo Acuna, Chile, beat Robert Seguso, U.S., 6-4, 7-6, 6-2.
QUARTER FINAL LINE-UP: McEnroe v Curren; Connors v Acuna; Guenthardt v Jarryd; Becker v Leconte.

WOMEN'S SINGLES, FOURTH ROUND:
Martina Navratilova (1), U.S., beat Renee Uys, SA, 6-2 6-2.
Molly Van Nostrand, U.S., beat Manuela Maleeva (4), Bulgaria, 7-5 6-2.
Barbara Potter, U.S., def. Jo Durie, Britain, 7-6 (8-6), 6-7 (5-7), 6-1.
Chris Evert Lloyd (1), U.S., def. Anne Smith, U.S., 6-0, 6-4.
Pam Shriver (5), U.S., def. Steffi Graf (11), West Germany, 3-6, 6-2, 6-4.
Helena Sukova (7), Czechoslovakia, def. Pascale Paradis, France, 6-4, 7-6 (7-5).
Kathy Rinaldi (16), U.S., def. Elizabeth Smylie, Australia, 6-2, 6-1.
Zina Garrison (8), U.S., beat Catherine Tanvier, France, 6-1 6-3.
QUARTER FINAL LINE UP: Lloyd v Potter; Rinaldi v Sukova; Van Nystrom v Garrison; Shriver v Navratilova.

Haifa tops

Maccabi Haifa completed a double over Betar Jerusalem in the *Intertoto* soccer competition, winning their second match at the National Stadium in Ramat Gan last night by three goals to one.

Haifa have thus gained the maximum six points from their three games in the competition.

Skipper true

LONDON (Reuter). – Australia's cricketers, with captain Allan Border their inspiration, triumphed by four wickets over England on the fifth and final day of the enthralling second Test at Lord's yesterday.

Border's team levelled the six-match Ashes series 1-1 after resuming at 46 for three and surviving further alarms in making the remaining 31 needed in a gripping 95-minute period.

The season's showpiece became a match of mounting personal achievement for left-hander Border, who followed his 196 in the first innings by scoring an accomplished 41 not out that steered his team through a crisis to victory at 127 for six. Border became the seventh Australian to complete 5,000 Test runs during his crucial innings this morning, and sealed his individual success with the Man-of-the-Match award.

The touring team's ability to bounce back swiftly after losing the first Test by five wickets was a measure of Border's growing reputation in only his fifth Test as captain. His counterpart, David Gower, emerged from the defeat with a degree of personal compensation by being named during the day's play as captain for the rest of the series.

After Ian Botham had again spearheaded a dramatic England revival on Monday which nearly brought off a sensational win, Border said after the game: "I don't know if I can stand the pressure if the series goes on like this. I had nightmares about Headingley in 1981 happening all over again."

SCORES: England 290 (Gower 86, McDermott 6-70) and 261 (Botham 85, Gatting 75 not out, Holland 5-68); Australia 425 (Border 196, Ritchie 94, Botham 5-109) and 127-6 (Border 41 not out, Wessels 28, Phillips 25; Botham 2-49)

Warming up for Maccabiah softball

By JACK LEON

TEL AVIV – The Israel national softball team yesterday started intensive daily training in preparation for the 12th Maccabiah softball tournament, which takes place at the Tel Aviv Sportek field from July 16 to 24. Participating with the hosts in the double round-robin will be Argentina, Canada, Mexico, Venezuela and the U.S. Argentina won the four-nation Maccabiah softball tournament in 1981, when the U.S. and Canada astonishingly both failed to enter.

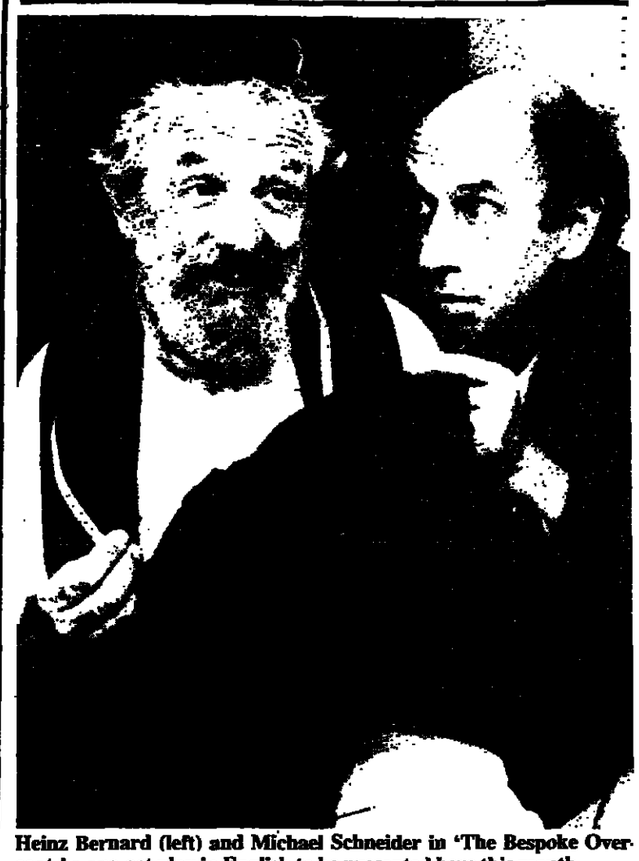
The Israeli team with 17 players on their roster, has been in regular training since May under joint-coaches Shlomo Shuvitz and Meir Rafalim. The two are optimistic about Israel's chances. Their main strength is defence but the offence is less dependable because of a lack of experience against fast pitching.

The squad includes one sabra – infielder Menachem Pinchovski, 23, with the remainder coming from he U.S., Canada and Latin-America. Among the 10 new caps is pitcher Tito Slomovic, 32, who represented Argentina at the 1981 Maccabia and has since immigrated.

Argentina scrape through

BUENOS AIRES (Reuter). – Argentina, winners of the World Soccer Cup in 1978, became the sixth country to secure a place in the 1986 finals when they scraped a 2-2 draw against Peru at the River Plate stadium on Sunday night.

A late equaliser stabbed home by substitute Ricardo Gareca, after a shot by defender Daniel Passarella had rebounded from a post, earned them the point they required to finish just one point ahead of Peru at the top of South American qualifying Group One.



Heinz Bernard (left) and Michael Schneider in 'The Bespoke Overcoat,' a one-act play in English to be presented here this month.

East End tale

By MARSHA POMERANTZ / Jerusalem Post Reporter

FENDER is a ghost, but not a very good one. It never even occurs to him to walk through a wall until his friend Morry, the tipsy tailor, suggests it.

The two losers are the main characters in a funny, touching one-act play by Wolf Mankowitz, reflecting the "good old days" of hunger, privation and friendship among Jewish immigrants in London's East End. *The Bespoke Overcoat*, in English, will have a short tour in Israel from July 11 to the end of the month.

The story, played out in the present and in a flashback: Fender wants his threadbare coat fixed. Morry says it's impossible, but he can make a new one. After some haggling, they settle on a price and Fender stops eating and starts saving. But he dies before he can pay for the coat, and has to come back from the next world to get it.

This production is the latest in a series of modest but determined attempts at promoting professional English theatre here. The director is Mordechai Greenberg, a sabra who works here and in Canada, where he recently did an adaptation of Alan Ginsberg's *Kaddish;* Michael Schneider is the ghost with no initiative and Heinz Bernard is the tailor. Both Schneider and Bernard are graduates of the Royal Academy of Dramatic Art in London, both have worked in London theatre, TV and film, and in Israel they teamed up for a time in "The Best of Sholem Aleichem," which Greenberg directed.

Joining Schneider and Bernard will be Jeff Gurner as Ranting, the warehouse owner who employed Fender for 43 years, and Andy Goldberg as a clerk. Gurner has experience at the Bristol Old Vic, and Goldberg was a prize-winner at the Edinburgh Festival.

"THERE IS room in Israel for really professional English theatre," says Schneider, who lives here. "There are about 450,000 people in this country whose mother tongue is English. Of course we don't need 450,000 – only about 8,000."

He and Greenberg are financing the production, and if it works financially – "which means if it breaks even" – they hope to take it to South Africa, and maybe Australia and Canada. A production of *Overcoat* toured South Africa 33 years ago, when the play was new, and it was well received.

Greenberg points out that it's difficult to survive in theatre in Israel, even in Hebrew. Schneider and Bernard have both tried Hebrew theatre: Schneider was in a version of *Winter's Tale* at the Jerusalem Khan, and Bernard, who lived in Israel for about 10 years, did seven plays at the Habimah and the Cameri, plus work for Educational TV, which can still be seen mornings. But his work in Hebrew was "only with great difficulty," he says; he returned to England in 1980, and was called back by Schneider to take up the tape measure and a brandy flask for a short tour.

Overcoat opens at the Daniel Hotel theatre on July 11, and will reach Jerusalem, Kfar Sava, Tel Aviv and Haifa.

PERES DELAYS

(Continued from Page One)

The compensation contemplated by the government to take the place of the C-o-L increment for three months will not be paid while the negotiations are in progress. Other measures, such as changes in National Insurance Institute payments and tax reform are also expected to be included in the negotiations, Haberfeld said.

He denied knowledge of plans by the large works committees to take independent industrial action. "We are operating in full cooperation with all the unions and works committees," he said.

NII Director-General Nissim Baruch yesterday outlined his planned measures in a meeting with Aliza Shefi, chairman of the Histadrut's Social Welfare department. Allowances for the first child in a family will be scrapped, except for families whose total income is less than 80 per cent of the national average though not exceeding IS400,000. If paid, it will be paid by the employers and not by the NII.

An erosion compensation payment of 11 per cent will be paid on allowances for large families in which one member has served in the IDF or the police. Most Arab families, who constitute a substantial portion of those receiving the payments, will therefore not be eligible. The payment will be made at the end, and not the beginning of this month.

Finally, old age allowances will be taxed at rates of up to 65 per cent. Shefi described the changes as "tampering with the NII law and totally unacceptable to the Histadrut."

A number of Labour leaders told *The Jerusalem Post* last night that they would take independent action if the negotiations did not bear fruit within a "very short period." The unionists, representing some of the most militant works committees previously known as the Big Thirteen, expressed disappointment with the "moderate" line taken by the Histadrut and said that they were not sure that they could contain the strike sentiment among the workers.

In his meeting with Kessar and Haberfeld, Peres said that he would give the negotiations two or three days before convening the cabinet to decide on a course of action.

The strike headquarters is to convene tomorrow to decide on further steps in the eventuality of the negotiations not suceeding. Earlier, the committee had agreed to a campaign of flash strikes by selected groups of workers, with the intention of crippling the functioning of the government while causing the least possible suffering to the public.

Haberfeld told *The Jerusalem Post* last night that he believed Peres had understood that the economic programme could not be implemented by decree. He attributed the change of heart on the part of the prime minister, cabinet ministers and Knesset members to the "almost 100 per cent success of the strike."

The Histadrut representatives insisted strongly that all work agreements be honoured and that policy be initiated through negotiations, Haberfeld said. The Histadrut would continue to demand that all agreements, including the cost-of-living agreement, remain in force and that the Histadrut be party to all decision-making, calling for concessions by the workers, he added.

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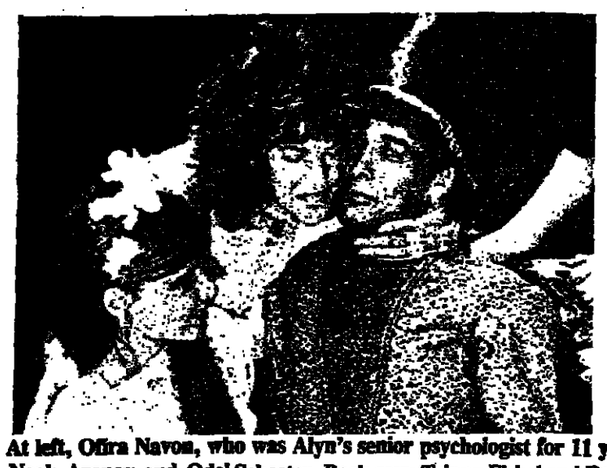
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Item	Quantity	Price (I.S.)
White sugar	1 kilo	400
Long white rice	1 kg.	670
Nesher beer	.48 litre	250
Maccabi beer	.33 l.	630
Coca-Cola	1.5 l.	1,140
Tempo (Cancal)	2 l.	1,400
Crystal	2 l.	1,390
Fruit beverages	.65 l.	285
Assis lemon, raseberry drink mixes	1 l.	2,895
Canned foods		
Peas	550-600 gr.	1,445
Tomato paste (22 pct.)	100 gr.	375
Green olives	600 gr.	1,375
Frozen foods		
Green peas (Sunfrost)	400 gr.	1,330
Corn (Sunfrost)	400 gr.	1,735
Citrus vinegar	1 l.	1,665
Tea		
Wissotsky "18"	100 gr.	606
Tea bags (1 gr.)	25 bags	635
Soup powder		
Meat or chicken (Telma)	400 gr.	4,430
Vegetable soup (Telma or Vita)	400 gr.	3,500
Soup powder in large bags (Vegetable)	1 kilo	6,755
Noodles and pasta, biscuits		
Macaroni, spaghetti	250 gr.	610
"Select" spaghetti, macaroni	500 gr.	1,090
Petit beurre biscuits (Hadar)	1 kilo	3,200
Lahmit crackers	1 kilo	4,460
Cream crackers	1 kilo	5,090
Mayonnaise, tehina		
Tehina (Elite)	500 gr.	2,885
Mayonnaise	500 gr.	2,725
Baking powder	10 bags	495
Liquors		
Extra fine brandy (Carmel)	.62 l.	2,385
"777" brandy	.50 l.	4,075
Candies		
Hard candies	500 gr.	2,980
Toffee (Carmit)	500 gr.	2,225
Egozi candy bar	45 gr.	490
Cocoa powder (Elite)	150 gr.	1,130
Milk chocolate bar	200 gr.	1,250
Bittersweet chocolate bar	200 gr.	1,465
Chocolate with nuts	100 gr.	1,300
Chocolit drink powder	500 gr.	2,990
Ice cream – "Riviera", "Golan"	400 gr.	1,115
Cassata ice cream (Tene-Noga)	1 kilo	2,840
Dairy ice cream (Strauss)	600 gr.	1,970
Tilon cone	1 cone	600
Jams and jellies		
Fruit jams (Assis)	450 gr.	1,905
Ketchup (Assis)	340 gr.	1,845
Infants' milk substitute		
Materna	500 gr.	5,400
Snack foods		
Bisli	70 gr.	555
Kef-li, Ringo	80 gr.	750
Cigarettes		
Silon	20	195
Royal, Polaris	20	575
Noblesse Filter	20	710
Tune, Sheraton, Europa, Nelson Filter, Time Menthol	20	735
Broadway 80	20	855
Broadway 100, Time 100	20	905
Montana	20	920
Kent, Marlboro	20	2,900
Bread		
Standard loaf (Dark)	750 gr.	290
White bread	750 gr.	335

Item	Quantity	Price (I.S.)
Rye bread	500 gr.	389
Halla	500 gr.	430
Rolls	60 gr.	75
Sliced loaf	750 gr.	520
Sliced halla	500 gr.	520
Flour, Salt		
White flour	1 kilo	660
Self-rising flour (Osem)	1 kilo	1,420
Table salt	1 kilo	230
Coarse salt	1 kilo	335
Matches	1 pack	55
Frozen beef		
Breast (No. 3)	1 kilo	6,730
Ribs (Nos. 2, 7, 8, 10)	1 kilo	7,520
Eye of rib, shoulder (Nos. 1, 4)	1 kilo	9,080
Beef liver (U.S.)	1 kilo	3,520
Frozen ground meat	1 kilo	7,900
Oil, Margarine		
Margarine, with or without salt	200 gr. pkg.	505
Margarine, with or without salt	250 gr. tub	740
Dairy margarine	200 gr. pkg.	595
Dairy margarine	230 gr. tub	845
Soya cooking and salad oil	glass bottle	1,755
	plastic bottle	2,720
Lieber Instant Coffee	50 gr.	1,070
Elite Instant Coffee (Splendid)	100 gr.	2,315
Elite Instant Coffee	200 gr.	4,205
Cleaning products		
Tip washing powder	1.5 kg.	3,770
Biomat washing powder	3 kg.	10,270
Kleen Shampoo washing powder	1 kg.	1,870
Bio-Or washing powder	750 gr.	2,130
Kleen dishwashing cream	1 kg.	2,100
Ama lemon-scented dishwashing cream	1 kg.	2,170
Lemonit dishwashing liquid	1 litre	2,810
Ritzpele liquid floor-cleaner	1 litre	1,500
Toiletries		
Hawaii toilet soap	100 gr.	790
Adin toilet soap	100 gr.	550
Mem Olive toilet soap	100 gr.	550
Mem Olive toilet soap	180 gr.	1,090
Flouride toothpaste	70 gr.	880
Solidox toothpaste	Large	1,000
Hawaii shaving foam		4,750
Mem 2 shaving foam		3,280
Hawaii hair shampoo	500 gr.	3,480
Oil shampoo	1 litre	4,300
Royal hair shampoo	500 gr.	2,820
Paper products		
Dalit giant pack toilet paper	24 rolls	8,160
Lili toilet paper	4 rolls	2,010
Lili tissues	Packet	1,130
Double layered tissues	100 sheets	730
18 page exercise book		120
40 page exercise book		280
72 page exercise book		950
Textiles and clothing		
Men's pure cotton Rotex underpants	Size 42	4,790
Men's pure cotton Sarigamish underpants	Size 42	5,675
Men's cotton tricot Rotex underpants	Size 42	6,510
Ocean cotton bath towels	50 x 100	12,360
Vardinon cotton bath towels	50 x 90	11,500
Kitan cotton diapers (6 units)	80 x 80	16,240
Arieh cotton diapers (12 units)	80 x 80	20,355
Kitan single bed sheets	220 x 150	20,650
Kitan double bed sheet	220 x 200	25,855
Kitan duvet cover	220 x 150	39,200
Kitan pillowcase	70 x 50	6,150
Kitan single bed fitted sheet	190 x 70	16,270
Kitan double bed fitted sheet	190 x 140	28,920
Can Can Extra Large (XL) pantyhose		1,185
Cottonwool	100 gr.	600
Light bulbs		
Tadiran white regular	40 watt	644
Tadiran white regular	60 watt	851
Tadiran white regular	75 watt	885
Tadiran white regular	100 watt	886

Everyone has a creative spark'

The Post's Greer Fay Cashman reports on an unusual effort by the handicapped to present wheelchair theatre





At left, Ofira Navon, who was Alyn's senior psychologist for 11 years, hugs Tsippy Fishel and David Lasri. At right, the players in action: Front row, Osnat and Noah Aronov and Odel Schecter. Back row: Tsippy Fishel and David Lasri. At right, Shlomo Barak. (Dan Landau)

THE AUDIENCE was ecstatic. The applause summoned the cast back to the empty stage again and again.

The cheers were for a musical production based on the children's fable *Beauty and the Beast*. It moved at a faster pace than usual because all of the central characters were on wheels.

The actors are graduates and students of Alyn Hospital and Rehabilitation Centre for the Handicapped, ranging in age from 11 to 30, and they have introduced a new medium to entertainment – wheelchair theatre.

"It's a wonderful experience to be able to appear before an audience," says David Lasri, 23, one of the performers. "It makes such a difference when normal people can see us performing in a theatre and can appreciate our talent instead of coming to view us in hospitals as objects of pity."

The production was first staged three years ago, after director Jean Bernard Morali visited Alyn during Purim. He saw 15 nurses dancing on a stage, trying to amuse the children.

Later, he saw the children themselves careering merrily along the hospital corridors. It seemed absurd to him that their boundless energy wasn't put to work on producing a stage show.

Fired by his enthusiasm, Morali guided his plan into action and, within six months, the play was being staged at several Jerusalem locations. And then, like all productions, it bowed out to a final curtain.

However, in March, Ofira Navon, who was Alyn's senior psychologist for 11 years, asked Morali to revive the production for a video programme to be presented at the Conference on the Handicapped in Theatre, to take place in Toronto this year.

Reviving the play would take a lot of hard work, people connected with the production realized. They agreed to prepare not only for a video taping session, but for a stage comeback.

Musical director Amnon Boem had no previous experience in working with the handicapped. "I was worried that I wouldn't be able to relate to them in the same way that I relate to people who don't have impairments," he says. "It bothered me that I would have to think twice before making demands of them.

"But in the end, I treated them as if they were the same as anyone else, and they were terrific. They're a pretty talented bunch, and I'd be prepared to work with them again."

Morali, however, has neither the time nor the strength for another production. "I hope another director is willing to take up the challenge," he says. "After we have come so far and achieved so much, it would be a great pity not to go forward."

Morali describes the production as a "ballet on wheels." The description is apt, considering the dexterity with which the players manipulate their chairs.

NO ONE watching gamin-faced Miriam Eizmann, 11, on stage could disagree. She propels herself with one leg poised like that of a ballet dancer over the electrical controls of her wheelchair. Her other leg and arms are useless. But her voice is strong and expressive, and she endears herself to the audience.

Eizmann admits that if someone had told her a year ago that she could be an actress, she would never have believed him.

After appearing in the original production and its revival, Osnat Aronov, 20, wants to be an actress and is eager to start taking lessons. "Everyone has a creative spark," she says, "but if you don't develop it, then it dies or remains dormant. I want to develop mine."

Together with her sister, Noah, 25, they played the wicked sisters in the tale. "I'm a terrific organizer," boasts Noah, "and I'd be great at public relations if someone would only give me the chance. That's the worst problem with being handicapped. Anytime you want to go chasing opportunity, you've got to go through the back door."

Neither of the Aronov sisters is employed, partially because jobs are scarce and partially because they don't want to work in a sheltered workshop.

Aliza Mishli, like Osnat, has also caught the acting bug. Mishli, 28, is seriously considering switching her studies at Bar-Ilan University from education to theatre next year. Meanwhile, she also works as a clerk for the National Insurance Institute.

A polio victim at the age of 18 months, Mishli came to Alyn when she was six years old.

She hopes to continue acting either on stage, television or radio. "I'm doing something creative; I'm expressing myself," she says.

Lasri, trained in electronics, cannot work in his profession because he undergoes dialysis treatment three times a week. All the rehearsals and performances were scheduled not to clash with the days on which he is under treatment.

For Shlomo Barak, 30, the current production marked his acting debut. A computer programmer who was persuaded by a group of friends to try his hand at acting, Barak, who spent 19 years of his life at Alyn, was glad about the opportunity to try something different. Asked whether he wants to continue in the theatre, he grins broadly and replies, "I won't refuse any offers, but I'm not running after anyone."

Tzippy is the most seasoned performer of them all, having appeared in a film as well as the original Alyn production. The product of an ultra-Orthodox family, Fishel, 25, did not venture inside a cinema until she was 18. She has not told her family that she is a part-time actress because it would upset them. None of her relatives has seen her on stage, but her friends at the post office where she works all turned up to encourage her.

Like others in the cast, Fishel says, "If you have a talent, you must express it."

Up against the system

By YA'ACOV FRIEDLER/Jerusalem Post Reporter

THE PROFESSOR'S field of expertise is not the penal system, but he knows about jails from having been there. Social scientist Jim Torczyner of McGill University in Montreal has never been convicted, but he has been arrested and held several times, starting with civil rights activities in Mississippi.

That time, he was detained for four weeks. His parents thought he was at summer camp; they learned otherwise when a jailer phoned to say their son was insisting on kosher food.

Torczyner, here for a Haifa University seminar on "The Welfare State in Transition," has quite an Israeli connection. He learned to speak Hebrew before English in his native America. His uncle was the late Prof. Naphtali Tur-Sinai, founder of the Hebrew Language Academy.

Torczyner spent four years in Jerusalem, from 1965-69, working with street gangs for the city welfare department, and had some trouble with the police here, too. The book he wrote on his experiences here, *Poverty in Jerusalem*, got him entry to the University of California at Berkeley for doctorial studies.

He subsequently moved to Montreal to join McGill's School of Social Work, and there he started "Programme Genesis," which organizes self-help for low-income Jews – "and there are plenty," he says – and for 28 other ethnic groups in Montreal neighbourhoods. Though the programme ran up against "strong opposition" from the Jewish establishment, it is still going strong, the now 40-year-old professor told *The Jerusalem Post*.

He also became involved with a group of Canadians, Americans and Europeans working to rescue Ethiopian Jews and non-Jewish former officials of the Haile Selassie regime, who were persecuted for their past. This was well before Israel launched its own massive rescue operation for the Ethiopian Jews, Torczyner explains.

In 1980, while he was taking an Ethiopian across the border from the U.S. to Canada, Torczyner was arrested by a border official and charged with falsely declaring the refugee to be a Canadian citizen.

"I did not. I didn't have to. The man had no less than 11 passports to choose from. But it was my word against the official's."

The prosecution offered to get him off with a suspended if he pleaded guilty, and warned he would get two years if he pleaded otherwise.

"I COULD not accept admitting that it was illegal for a Jew to aid other Jews, and pleaded not guilty," Torczyner says. The trial, which lasted nine months, was held in the Quebec city St. John, "which had no Jewish, black or English-speaking residents. So I chose trial by judge and not jury." Court sessions were held once or twice a week, which enabled him to carry on his university work, though occasionally a uniformed Royal Canadian Mountie attended his classes, and he was sometimes shadowed by a plain-clothes cop. The head of the School of Social Work testified on his behalf.



Social scientist Jim Torczyner: 'I could not accept admitting that it was illegal for a Jew to aid other Jews.' (Arik Baltinester)

Torczyner says that his arrest and trial had not been politically motivated, but had been the result of a bureaucrat hoping to further his career by the case. It frightened him to realize "the tremendous power of technocrats and bureaucrats to harass citizens without accountability to public authority."

The judge, though a conservative, finally exonerated Torczyner completely. He ruled "the public interest was better served by my breaking the law than obeying it because of the humanitarian motivation." The judge further ruled that when someone pursued a moral purpose, not for personal gain and without violence, which is consistent with his past behaviour, he cannot be accused of being a criminal or of having committed a crime. An important precedent in Canadian law was established by the judgment.

Torczyner, looking at the modern welfare state, discerns "a lack of political will to really help the most vulnerable groups, which of course entails taking the money from the least vulnerable." The votes, are simply not with the vulnerable. He agrees with the opinion that "most welfare today does not go to the poor," and the politicians tend to make the cuts that, though they may hurt most, are least vote-sensitive. For instance, the handicapped.

The four-day International Study Group was the first of its kind here, drawing 20 social scientists from eight foreign countries and Israel, and its success can be judged by their decision to hold similar meetings every year. The next probably will be in Montreal.

Dr. Rehavia (Robert) Friedman of Haifa University, who served as co-chairman, told *The Post* they had reached a general consensus that in light of governmental cut-backs in welfare, it was essential to put a greater emphasis on voluntary social work and no less to increase reliance on private welfare services, as governments retreat from the field.

Security check

By JOSHUA BRILLIANT
Jerusalem Post Reporter

AIRPORTS in North America, the Communist bloc and major Western European cities are stringently controlled, but security in many developing countries is lax, according to a survey *The New York Times* published last week.

There were several criteria for evaluating security arrangements, the paper said. Are X-ray machines and metal detectors carefully monitored? Are there police around? Are arrival and departure areas and domestic and international areas separated? Are passengers searched when a metal detector goes off? Is unaccompanied baggage screened? Is hand luggage sometimes physically searched? And are entrances to the runways closed or guarded?

The survey was conducted by *Times* correspondents around the world, and was supplemented by interviews with the State Department, the International Air Transport Association (IATA) and the International Federation of Air Line Pilots Association (IFALPA).

According to the survey, Ben-Gurion Airport is regarded as one of the most security conscious in the world with unusually thorough and time-consuming procedures. El Al provides its own supplementary security checks in airports abroad.

Cairo, too, won high marks for "extremely tight" security with passengers passing three screenings. Queen Alia International Airport at Amman was designed with air piracy in mind, the paper reported.

Heathrow in London was consistently cited by travellers and officials as another security-conscious airport. At major West German airports, it was noted, body searches are common even after passengers have walked through metal detectors. In periods of tension, passengers must identify their suitcases on the runway before boarding their planes.

BUT SECURITY in Rome was insufficient, the paper indicated. It said hand baggage is X-rayed, and passengers pass through metal detectors, but these were not sensitive enough, and airport workers sometimes seem listless rather than attentive.

Security at Tokyo's Narita Airport is among the tightest in the world with some 1,500 police officers and 400 civilian guards patrolling the grounds. The airport is surrounded by barbed wire, steel barricades and electrified fences. At the entrance to the ticket counters, officers run metal detectors over baggage, which is X-rayed again before it is loaded. Hand-held baggage is X-rayed, passengers must pass though metal detectors and nearly everyone is searched physically.

Security in Soviet airports is also strict, but the paper noted there have been at least 14 hijacking attempts, usually by people trying to leave the country.

Security lagged in many Latin American countries, particularly in Rio de Janeiro, Mexico City and Lima. IFALPA's executive secretary, Laurie Taylor, said that in Colombia there was virtually no security at all. "A year or two ago they had three hijackings in one day."

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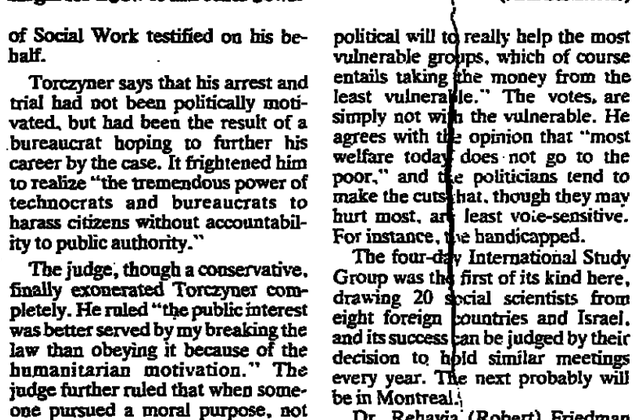
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Convention Luncheon*
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"Israel in the United Nations - An Uphill Road"
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Histadrut chief Yisrael Kessar is vexed at the injustice of the government's economic retrenchment programme. The burden falls on wage-earners, he says, while the rich get off scot-free.

The capitalists get off scot-free, that is what he should have said. There are rich salary earners, and they are penalized like everybody else. The person enjoying unfair privileges is – to use another word favoured in trade union circles – the profiteer; the man who owns assets and lives off the income they yield, or the capital he gets from selling them.

All sectors should contribute their share to economic recovery – that is clear, and it can be achieved. All sectors should also be seen to be contributing their share; and that is more difficult.

In order to reduce the living standard of the wage-earners, all you have to do is cut wages, because wages are a determinate factor fixed in labour contracts. The same cannot be done to profits, because profits are indeterminate different for each company and fluctuate within each company from day to day.

Everybody has to work, but not everybody has to invest. People will perform employed labour whatever the average pay, and it varies from country to country. American workers earn in a day what African workers earn in a month.

Although at first glance the new economic measures seem to hit wage-earners hardest, employers are certain to be the most drastically affected, writes The Post's DAVID KRIVINE.

Look again, Mr. Kessar

Return on capital varies much less. Interest paid on bonds is broadly the same (allowing for inflation) in America and Africa. There is some figure – a good guess would be 6% in real terms, after tax – which represents the point at which saving becomes worthwhile.

More than 6% is excessive. If a bond series can be sold out for 6% net, why offer 8%? Less than 6% on the other hand is ineffective. A 4% bond will find few takers.

The yield on fixed-interest securities – world-wide – fluctuates round that point of balance. If the return is sure, 6% is enough.

What if the return is not sure? Once an element of risk comes in, it is catch-as-catch-can; which is why the authorities cannot fix a ceiling on profits. They cannot say: if you fail you'll lose your pants, and if you succeed you won't be allowed to earn more than 6%.

Under such conditions development would grind to a halt. Why should anyone take the risk and suffer the headaches of setting up a textile factory, if he can get his 6% without risk or headaches through the purchase of government bonds?

The Israeli authorities therefore cannot tamper with profits. They try instead to fix prices, but that does not work either. Whatever price the government fixes, is either too high (creating a costs-plus situation, where all suppliers make out and none goes bankrupt) or too low (they all go bankrupt).

How then can the government exact a proper contribution from the rich? In two ways: by taxing them effectively, and by creating a balanced supply-and-demand situation in the market. The only way to do either of those things is to do what Kessar opposes: cut demand by cutting the budget (creating unemployment), or cutting wages, or cutting both.

The government is seen to be hitting the workers. It actually hits both workers and employers. Those immediately affected by the government's economy programme are the workers, but those most drastically affected will most certainly be the employers.

If the budget cuts are made in full, unemployment should increase by one or two percentage points. Wages will drop (after negotiations with Kessar) by 8 or 10 percentage points. If as a result prices stabilize, profitable business companies that have been paying negligible taxes will be handing over (in company and income tax together) three-quarters of their gains to the Treasury.

This is on the assumption that an end is put to the preferred status of "approved enterprises," as recommended by the Steinberg committee.

Moreover if the government stops pumping money into circulation, the deflationary impact should be sufficient to impose a tremendous cost-cutting exercise on all business firms wanting to survive – other than the export companies, which are efficient and competitive already (otherwise they would not be exporting).

The age of easy profits will be gone. That is when economic growth should start again and in the right direction, spurred by reduced production costs and stable prices. Which is what Kessar wants, isn't it?

Stock markets in top mid-year form

LONDON (Reuter). – Leading stock exchanges round the world from Tokyo, Frankfurt, Zurich to Wall Street look poised for further gains after ending the first half of 1985 in record-breaking form.

Continental European exchanges, in particular, have enjoyed a sparkling revival, with share prices in Milan up 57%, Frankfurt and Paris up 27% and Zurich up 19% since the beginning of 1985.

Bargain-hunters on Wall Street pushed share prices to a new record close of 1.335 last Friday.

The Dow Jones Industrial Average of 30 leading U.S. shares eventually broke through the psychological 1.300 level on May 20 after two years in the doldrums and triggered market talk of further rapid gains before the year-end.

Tokyo, which also closed at a record level on Friday, saw a gain of 11.5% on the Nikkei-Dow Jones Market Average Index in the first six months of 1985.

Only London, of the major world financial centres, ended the first half of 1985 with average share prices at a lower level after a rapid fall from a record 1.024.5 touched in January and again in May. The Financial Times 30-share index closed on Friday at 938.6, down 0.2% from the start of 1985.

Higher share prices on Wall Street in the first half of 1985 were achieved despite evidence of a weaker U.S. economy, as investors revelled at the prospect of higher company profits resulting from lower interest rates, stock market analysts said.

Elizabeth F. Frank, portfolio manager for Wood, Struthers and Winthrop Management, said: "We look for a modest uptrend in economic activity in the second half. The bad news is that corporate profits will be flat to down this year."

The pattern of investment on the Tokyo stock exchange was expected to remain dominated by U.S. economic developments.

"As the easy-money condition continues, the U.S. economy is still the most important factor," said Jardine-Fleming securities analyst Yukoh Narisawa.

In the last three months Japanese investors have been reluctant to put their money into blue-chip export-orientated stocks, due to rising concern about U.S.-Japanese trade friction.

In Hongkong, the Hang Seng Index closed at 1.570.61 on Friday, up 29% since the beginning of 1985.

The London stock market, which touched an all-time high in May, has suffered a significant shakeout in the past five weeks, which some analysts had been predicting since the beginning of 1985. Now they expect shares to recover from the lower level.

In the previous six months, London, the world's third-largest stock market, saw share prices rise by 36%.

In Europe, the leading stock markets such as Frankfurt, Zurich, Paris, Milan and Amsterdam have all enjoyed an influx of foreign capital especially from the U.S. and average share prices are at or near record levels.

Milan's bourse has experienced an unprecedented boom aided by a more stable political climate and a revival in shares as a vehicle for sound investment in Italy.

West German stock analysts predicted Frankfurt share prices, which reached a new record of 1.433.2 last Tuesday, could continue to rise into 1986 on the back of rising company profits. The German economy, the largest in Western Europe, was expected to keep growing with low price inflation, they said.

Confidence in the Paris bourse, shattered four years ago when the socialists came to power, had recovered from a spate of currency crises and mass nationalizations.

Strong performances have also been shown both on the Sydney and Johannesburg exchanges.

The Australian sharemarket appears set for a period of decline after climbing to an overall record of 904.5 on May 20, amid doubts about the government's ability to reassert control over the economy.

In South Africa, market sentiment favours rising share prices despite an erosion of corporate profits by the worst recession since World War II, analysts said.

The following table shows gains or falls in average share prices based on stock market indices for the first half of 1985:

	June 28 1985	first trading day 1985	percentage change
New York	1.335.46*	1.211.57	+10
Tokyo	12.882.09*	11.558.06	+11.5
London	938.6	940.4	-0.2
Milan	4.924	3.129	+57
Hongkong	1.570.61	1.220	+29
Frankfurt	1.425.5	1.118.4	+27
Paris	127	100	+27
Zurich	484.1*	405.2	+19
Sydney	860.8	729.0	+18
Amsterdam	213.6	181.9	+17
Johannesburg	1.125.4	978.0	+15
Madrid	106.28	100	+6
Stockholm	458.1	477.0	-4

** indicates record*

Islamic banking seen on the rise

NEW YORK (AP). – Saudi Prince Mohamed Al-Faisal Al-Saud told a bankers meeting Friday there has been a clear trend in the Middle East to revert back to indigenous ideology and an economic system based on Islamic philosophy.

"Iran was a clear-cut example" in which the change came abruptly, he said. "We want to prepare calmly without doing things in haste."

Prince Mohamed spoke at a meeting on the impact and role of Islamic banking in international finance. Noting that under Islamic law "interest is not permitted," he said that nevertheless "there is no conflict with western banking. Both systems can coexist."

The prince, a banker himself, said, "our market is different. We are appealing to people who don't bank at all, who never participated in the banking system. In our area only 6% of the population deals with banks."

The U.S.-Arab Chamber of Commerce, which co-sponsored the meeting, noted that "Moslem depositors in over 42 countries, numbering almost one billion people, make Islamic banking a potentially formidable force. There are about $800 billion of funds in Moslem banks."

China coal deal with Armand Hammer

PEKING (Reuter). – China signed a $650 million deal with Occidental Petroleum Corporation's chairman, Armand Hammer, last week to develop what he said was probably the largest open-cut coal mine in the world.

The deal, signed after nearly four years of negotiations, is thought to be the biggest joint venture China has made with foreign companies after a nuclear power plant to be built in south China.

Hammer told reporters before the signing ceremony in the Great Hall of the People that his company would invest about $200m. to develop the mine at Pingshuo in the central Chinese province of Shanxi.

Stripping the earth off the coal deposit would start today and production was expected to begin in September 1987 and continue for 27 years, he said. The mine would produce more than 15 million tons of coal a year, with two-thirds earmarked for export.

Occidental Petroleum has a 25% stake in the project, with a subsidiary of the Bank of China holding 25% and the China National Coal Development Corp. 50%.

Hammer said many doubters had thought the contract would never be reached but "I can tell you right now that all signals are go."

The deal ran into serious problems last October when Occidental's original partners, the U.S. construction company Peter Kiewit Sons backed out. It was rescued when the Bank of China agreed to take over Peter Kiewit's share.

The sagging price of coal also threatened the project. But Hammer said: "Even at today's low price of coal, we believe there will be a good profit for Occidental as well as for our partners."

The project has been seen as an important test of Sino-American economic relations and China's top leaders, including Deng Xiaoping, played a crucial role in the negotiations.

Norway oil project

BERGEN (Reuter). – The third and final production platform in Norway's Statfjord offshore oilfield was officially opened yesterday by Norwegian Oil and Energy Minister Kaare Kristiansen.

It marked the completion of the country's biggest industrial project, which cost more than 45 billion crowns ($5 billion).

When fully operational next year, the Statfjord field is expected to produce 700,000 barrels of crude oil a day and account for about two-fifths of Norwegian production.

Mexico tries to calm speculation in peso

MEXICO CITY (AP). – The government in an effort to calm the recent chaotic speculation in its currency will permit nationalized banks to open up exchange houses and buy and sell pesos in the free market, officials said Friday.

Some private analysts said the step represents an unofficial devaluation of part of the peso market and others suggested it was a move toward lifting all controls on the currency's value.

The fresh action which was not officially announced by the government was greeted with nervousness in the financial markets, where one Mexican trader said dealers were demanding a record 334 pesos for a dollar.

The exchange rate of the peso on the "super-free" or black market has been driven to record levels in the past month apparently by Mexicans nervous about a fresh devaluation of the currency.

The government sets two rates for the peso. The controlled rate established for nearly all commercial transactions was 227 pesos to the dollar on Friday; the so-called free rate was 245 pesos to the dollar. The currency's value is trimmed a bit each day by the government in a measured devaluation.

WHAT'S ON

Notices in this feature are charged at IS5,750 per line, including VAT. Insertion every day of the month costs IS115,735 per line, including VAT, per month.

JERUSALEM

Museums

ISRAEL MUSEUM. Exhibitions: Israel Communities, Traditions and Heritage: The life cycle, home, everyday objects and dress of diaspora communities ◊ Asian Art: Chinese bronzes and ceramics, 1200 BCE–17th century CE ◊ South-East Asia: Japanese netsuke ◊ Old Masters: 16th-18th century master painters ◊ Promised Gifts: 300 promised bequests, incl. works by Kandinsky, Chagall, Klee and Matisse ◊ Customs and Costumes: East and West ◊ Cave in the Desert: 9,000 year old finds from Nahal Hemar ◊ From the Secular to the Sacred: everyday objects in Jewish ritual use ◊ Piranesi: architectural etchings ◊ Alona Frenkel: children's book illustrations ◊ Father and Son: Sukenik and Yadin (Shrine of the Book) ◊ Meet an Israeli Artist: Chava Epstein, Ira Reichwarger, Reut Shahar (Youth Wing) ◊ Painting Instruction in the Youth Wing and exhibition of children's paintings ◊ Permanent exhibitions of Judaica, Archeology, Art and Ethnic Art. **Visiting Hours:** Main Museum, 10-5. At 11: Guided tour, Museum, English. At 11 & 4: Cinderella and the Blue Puppy (children's film). At 8.30: Lectures by international architects participating in Designs for the Holy City Seminar.

Conducted tours

HADASSAH – Guided tour of all installations ★ Hourly tours at Kiryat Hadassah and Hadassah Mt. Scopus. ★ Information, reservations: 02-416333, 02-446271.

HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9, 28, 4a, 26 and 23 to the first underground stop. Further details: Tel. 02-882819.

AMIT WOMEN. Free Morning Tours – 8 Alkalai Street, Jerusalem. Tel. 02-699222.

ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 396171, 233231, 240529; Netanya 33744.

Political Tours

DIPLOMATIC SERVICES – ISRAEL BEYOND TOURISM. Hi-level briefings and excursions to examine key issues – daily departures. Information, 02-234475, 228063.

TEL AVIV

Museums

TEL AVIV MUSEUM. Exhibitions: Ardon, a Retrospective ◊ Five Centuries of Self-Portrait Prints ◊ Avi Ganor, Photographs. **Visiting Hours:** Sun.-Thur. 10-2, 5-9. Sat. 11-2, 7-10. Fri. closed. **Helena Rubinstein Pavilion:** closed.

Conducted tours

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – Tel Aviv, Tel. 220187, 233154.

WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 88817.

PIONEER WOMEN – NA'AMAT. Morning tours. Reservations: Tel Aviv, 210791.

HAIFA

WHAT'S ON IN HAIFA, dial 04-648840.

MUSEUMS

HAIFA MUSEUM, 26 Shabbtai Levy St. Tel. 04-523255. Exhibitions: Ancient Art – Egyptian textiles, terra-cotta figurines, Shikmona finds. Modern Art – Collection of Israeli art (1982-85). Music and Ethnology – Jewish costumes. Sun.-Thur. and Sat. 10 a.m.-1 p.m. Tue., Thur., Sat. 6-9 p.m. Ticket also admits you to National Maritime, Prehistoric and Japanese Art museums.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
9.00 Pretty Butterfly 9.25 Belly and Lillibit 9.50 The Eagle of the Ninth Legion (part 3) 10.20 Sing a Song 10.30 Early Cinema 10.50 The Dolphin's Secret 15.00 Nils Holgersson (part 1) 15.30 Don Quixote 16.00 Rehov Sumsum 16.30 TV Game 17.00 A New Evening – live magazine

CHILDREN'S PROGRAMMES:
17.30 Puss in Boots

ARABIC LANGUAGE programmes:
18.30 News roundup 18.32 Situation – current affairs 18.45 Inventions and Innovations 19.00 Between Citizen and State 19.30 News

HEBREW PROGRAMMES resume at:
20.00 with a news roundup 20.02 Movie Time – cinema magazine 20.30 Religion Problem – the Mormon University on Mt. Scopus, Jerusalem 21.00 Mabat Newsreel 21.30 Moked 22.05 The Mark of Cain – Israeli film starring Arnon Zadok, Ofra Weingarten and Dalik Vlimitz 23.45 News

JORDAN TV (unofficial):
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Every Turning Circle 21.10 Documentary 22.00 News in English 22.00 Play of the Week

MIDDLE EAST TV (from T.A. north):
13.00 Insight 13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie 17.00 Inspector Gadget 17.30 Super Book 18.00 Buck Rogers 19.00 News 20.00 A-Team 21.00 Another Life 21.30 Trapper John 22.30 Cagney & Lacey 23.05 700 Club 24.00 News Update

ON THE AIR

Voice of Music

6.02 Morning Melodies 7.07 Mendelssohn: Ruy Blas, overture; Mahler: Piano Quartet 7.30 Bach: Suite No.4 (Muenchen, Richter); Rachmaninoff: Piano Concerto No.3 (Gregory Allan, JSO, Rodan); Mahler: Symphony No.1 (JSO, Bertini) 9.30 Telemann: Quartet; Bruch: Scottish Fantasy; Schubert: String Quartet in A minor (Budapest, recorded in 1953); Mahler: Song of the Earth (Christa Ludwig, Fritz Wunderlich, New York Philharmonic, Otto Klemperer) 12.05 Bloch: 2 Last Poems (Eisler-Kashi); Martinu: Sonata No.1; Menahem Tzur: Prisma (Sara Fuxon-Hayman, Bart Berman, pianos) 13.00 Dittersdorff: Harp Concerto (Marisa Robles); Haydn: Symphony No.3; Mozart: Quartet K.387; Kabalevsky: Violin Concerto; Enescu: Symphony No.1 15.05 Contemporary Music – Arthur Gelbrun: String Trio (Guidmundsdottir, violin; Usher, viola; Flyer, cello); Menahem Tzur: Short Symphony (JSO, Bertini); Franklin Gyselinck: String Quartet (Hamburg Quartet) 16.00 Schumann: Konzertstueck for 4 Horns (Chicago, Barenboim); Dvorak: Cello Concerto (Du Pre, Chicago, Barenboim); Brahms: Sextet No.2, Op.36; Bartok: Improvisations on Hungarian Peasant Songs; Britten: Serenade (Tear, Sybill, Mariner); English madrigals (Scholars) 18.30 The Wind Ensemble of Radio Austria and Ercole Clark, harp – Bach: Toccata and Fugue in D minor; Handel: Harp Concerto; Purcell: Sonata; Tcherepnin: Quintet; Schmidt: Music for Harp and Wind Instruments; Excerpts from works by Debussy, Joplin, Sousa, and others 20.00 Birth and Development of the String Quartet (part 2) 21.00 Peri: Euridice, complete opera 23.00 Piccianini: Toccata; Brahms: Song: Mozart: Eine Kleine Nachtmusik; Ravel: Chants Madagasques (Christa Ludwig)

First Programme

6.03 Programmes for Olim 7.30 Morning Concert (from Voice of Music) 9.30 Encounter – live family magazine 10.30 Programme in Easy Hebrew 11.10 Hebrew songs 11.30 Education for all 12.05 Oriental songs 13.00 News in English 13.30 News in French 14.06 Children's programmes 15.55 Notes on a New Book 16.05 Programme for Senior Citizens 17.12 Jewish Ideas 17.20 Everyman's University 18.10 Songs which last Forever 18.47 Bible Reading 19.05 Lesson in *Halacha* 19.30 Programmes for Olim 22.05 A Friend from the same Planet

Second Programme

6.12 Gymnastics 6.30 Editorial Review 6.50 Green Light – drivers' corner 7.00 This Morning – news magazine 8.05 Puss in Sandals – children's programme 9.05 House Call – with Rivka Michaeli 10.10 All Shades of the Network – morning magazine 12.10 Open Line – news and music 13.00 Midday – news commentary, music 14.06 Matters of Interest – with Gabi Gazit 15.05 Magic Moments – favourite old songs 16.10 Safe Journey 17.10 Economics Magazine 18.06 Spotlight 18.45 Today in Sport 19.05 Today – radio newsreel 19.35 Army and Defence Magazine 20.05 Folklore Magazine 22.05 Stage and Screen 23.05 Night Games

Army

6.10 Morning Sounds 6.30 University on the Air 7.07 "707" – with Alex Anski 8.05 Morning Newsreel 9.05 Right Now – with Rafi Reshef 11.05 The Old Days – with Orly Yaniv 13.15 Israeli Style – with Eli Yisraeli 15.05 What's Doing – with Erez Tal 16.05 Four in the Afternoon 17.05 Evening Newsreel 19.05 Radio Radio – with Yoav Kutner 20.05 Foreign Language Hit Parade 21.00 Mabat – TV Newsreel 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 Education in the IDF 1985 00.05 Night Birds – songs, chat

CINEMAS

JERUSALEM 4.30, 7.30, 9.30
Eden: Smash; **Edison:** Rambo; **Habira:** Up Your Anchor; Ninja I 10.30 a.m.; **Kfir:** A view to a Kill 4.15, 7, 9.30; Double feature/1 ticket: Hasamba, Boy Takes Girl 10.30 a.m.; **Mitchell:** Witness 7.30, 9.30; **Orgil:** Camila 9.30; Mary Poppins 4.30, 7; **Orna:** You're in the Army, Girls; **Ron:** Protocol **Semadar:** Amadeus 6.30, 9.15; **Binyenei Ha'uma:** Passage to India 6, 9; **Cinema One:** Carmen 8.30; Double feature/1 ticket Spiderman II; Gremlins 10 a.m.; Double feature/1 ticket Revenge of the Pink Panther, Go for it 3.30; **Beit Agron:** Heidi (animated) 10; Blue Thunder 11.30; Tom Sawyer 4; The French Lieutenant's Woman 7; Vertigo 9.30; Blue Thunder 12 midnight; **Cinemathoque:** Gremlins 7; Petrified Forest 9 (small hall) Marlene 9.30; **Israel Museum:** Cinderella and the Blue Puppy 11 a.m., 4

TEL AVIV 5, 7.15, 9.30
Allenby: Blade Runner 5, 7.30, 9.30; **Beit Lessin:** Rumble Fish 5, 11.30; **Ben-Yehuda:** Cotton Club; **Chen 1:** Police Academy II 5, 7.45, 9.50; **Chen 2:** Fantasia 5, 7.30, 9.40; **Chen 3:** Camila 5, 7.40, 9.45; **Chen 4:** Cria Cuervos 10.30, 1.30, 5.10, 7.40, 9.50; **Chen 5:** Protocol 10.30, 1.30, 5, 7.40, 9.45; **Cinema One:** Up Your Anchor 5, 7.30, 9.30; **Cinema Two:** Beverly Hills Cop; **Dekel:** Revenge of the Nerds 7.30, 9.30; **Drive-In:** Up Your Anchor 8, 10; **Sex film 12 midnight: Esther:** Smash 5, 7.30, 9.30; **Gat:** The Killing Fields 4, 6.45, 9.30; **Gordon:** Kaos 4.15, 7, 9.45; **Hod:** Rambo 4.45, 7.15, 9.30; **Lev I:** Amadeus 3.30, 6.30, 9.30; **Lev II:** El Norte 1.45, 5, 7.30, 9.40; **Lisson:** Closed for renovations; **Madan:** Up Your Anchor 5, 7.30, 9.30; **Mograbi:** You're in the Army, Girls 5, 7.30, 9.30; **Orly:** Witness 4.45, 7.30, 9.30; **Paris:** Hotel New Hampshire 7.30, 9.30; Watership Down 12 noon, 1.30, 3.15, 5; **Peer:** Never Ending Story 3.30, 5.30, 7.30, 9.30; **Shabaf:** Falling in Love; **Studio:** Lady Hawke; **Tzameret Hamehadash:** World According to Garp 7.15, 9.30; **Tchelet:** Full Moon in Paris 5, 7.30, 9.40; **Tel Aviv:** A View to a Kill 4.45, 7, 9.30; Double feature/1 ticket Hasamba, Boy Takes Girl 11 a.m.; **Tel Aviv Museum:** A Nos Amours 4.30, 7.30, 9.30; **The Israel Experience:** The Israel Experience (English) 6, 8, 9; (French) 7; **Zafon:** A Passage to India 6.15, 9.30

HAIFA 4.30, 7, 9.15
Amphitheatre: Up Your Anchor; **Armon:** You're in the Army, Girls; **Atzmon:** Rambo (First Blood II); **Chen:** The Killing Fields; **Keren Or Hamehadash:** Smash 4.30, 7.15, 9.15; **Moriah:** The Wizard of Oz 5.30; Falling in Love 7.30; Witness 9.30; **Orah:** Never Ending Story; **Orly:** A Passage to India 6, 9; **Peer:** Police Academy II; **Ron:** A View to a Kill 4, 6.30, 9; **Shavit:** Smash 5, 7; Los Santos Inocentes 9

RAMAT GAN
Armon: You're in the Army, Girls 5, 7.30, 9.40; **Lily:** Never Ending Story 5, 7.15, 9.30; **Oasis:** The Killing Fields 6.45, 9.45; Cinderella 5; **Ordan:** A View to a Kill 4.15, 7, 9.30; **Ramat Gan:** Smash 5, 7.30, 9.30

HERZLIYA
David: Witness 7.30, 9.30; Smash 5; **Hechal:** Up Your Anchor 5, 7.30, 9.30; **Tiferet:** You're in the Army, Girls 7.30, 9.30

HOLON
Migdal: Police Academy II 5, 7.40, 9.40; **Savoy:** Up Your Anchor 5.30, 7.30, 9.30; Double feature/1 ticket: Hasamba, Boy Takes Girl 11 a.m.

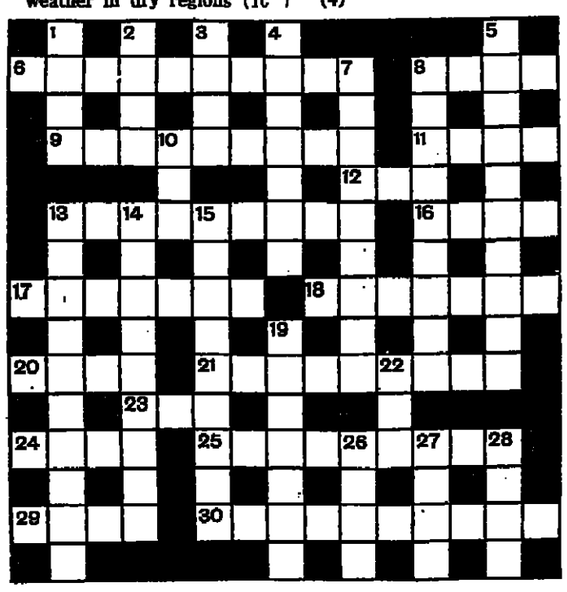
BAT YAM
Ahuzam: A View to a Kill 4.45, 7.15, 9.30



ONE-AND-ONE CROSSWORD

ACROSS
6 Brave peacemaker who puffs out (4, 6)
8 Whip cut by a farmer (4)
9 Female demonstrators with variety (9)
11 Young Edwards makes hay (4)
12 Chinese statesman from Manchu area (3)
13 Liberal leader who has no warmth but is used to cut and thrust (4, 5)
16 Lehar lacks a means of firing glass (4)
17 They wait for their opponents to return the ball (7)
18 Gone is a resolve to worry excessively (7)
20 Exploits from south-east central America (4)
21 Not a day trip even (9)
23 Child has reached the 20th letter apparently (3)
24 Game 15th-century explorer (4)
25 One ship's deserter in a river gets clear (9)
29 Backyard horse-cart (4)
30 They make for really dirty weather in dry regions (10)

DOWN
1 Clearly she is no hit with chaps seeking a wife (4)
2 One Roman lacking appeal and humanity (4)
3 Gums up because complacent (4)
4 Water-parsnip for a transvestite sapper (7)
5 Smithy employed no hot-tempered striker, presumably (4, 6)
7 Old candle charge is not heavy (9)
8 An eagle's claw taken in by American spy organisation in Spain (9)
10 Crow turned over a lump of stuff (3)
13 On which pieces are moved to check (10)
14 "The Confessions of a Wayward Socialist Lass"? (4, 5)
15 Runners point to men who impress (9)
19 What football fans visit when stranded (7)
22 Part of animal never cooked in a much-used kettle (3)
26 Sees everted being (4)
27 New star arises as the flower of Stratford (4)
28 Trees found in Helmstedt (4)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Refael, 39 Zalman Sorotzkin, 811801; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282058.
Tel Aviv: Lev Hair, 69 Ahad Haam, 613862; Kupat Holim Clalit, 7 Amsterdam, 225142.
Petah Tikva: not available.
Netanya: Hadassah, 24 Herzl, 22243.
Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Shaare Zedek (pediatrics), Hadassah E.K. (internal, obstetrics, surgery, ophthalmology), Hadassah M.S. (orthopedics), Bikur Holim (E.N.T.).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).

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24-HOURS FLIGHT INFORMATION SERVICE
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(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-381111 (20 lines)

FIRST AID

Magen David Adom emergency phone numbers (round the clock service).

Ashdod 41333	Jerusalem 523133
Ashkelon 23333	Kiron 344442
Bat Yam 585555	Kiryat Shmona 44334
Beersheba 78333	Nahariya 923333
Carmiel 988555	Netanya 23333
Dan Region 781111	Petah Tikva 923111
Eilat 72333	Rehovot 451333
Hadera 22333	Rishon LeZion 942333
Haifa 512233	Safed 30333
Hatzor 36333	Tel Aviv 340111
Holon 803133	Tiberias 90111

Mobile Intensive Care Unit (MICU) service in the area around the clock.

101 Emergency phone number in most areas.

Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 810110, and Haifa 88791.

"Eran" – Mental Health First Aid. Tel.: Jerusalem 669911, Tel Aviv 261111, Haifa 672222, Beersheba 418111, Netanya 35316.

KUPAT HOLIM INFORMATION CENTRE Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

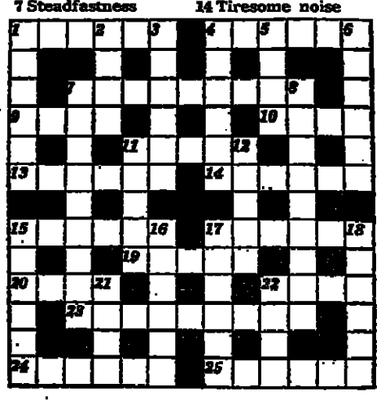
POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

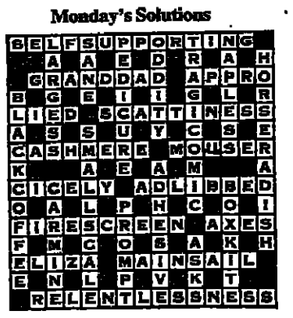
QUICK CROSSWORD

ACROSS
1 Proffer
4 Card suit
7 Steadfastness
9 Expression of amusement
10 Vocal composition
11 Snow and rain
13 Turn
14 Tiresome noise
15 Observing
17 Sheep
19 Drunkard
20 Smell strongly
22 Small nail
23 Spoil appearance
24 Giggle
25 Main meal

DOWN
1 Tie up
2 Facts
3 Waste materials
4 Rope for animal
5 Legislative measures
6 Insultingly ignore
7 Broken to pieces
8 County
11 Keep in short supply
12 Thin candle
15 Severe
16 Links player
17 Jammed
18 Steering vane
21 Scottish skirt
22 Grain husks



Monday's Solutions



Quick Solution

ACROSS: 1 Catty, 4 Kissed, 9 Tumbril, 10 Liver, 11 Lyre, 12 Kestrel, 13 Tie, 14 Mesh, 15 Ogle, 18 Pun, 20 Trinity, 21 Ajax, 24 Phial, 25 Optimum, 28 Dreary, 27 Groat. **DOWN:** 1 Cattle, 2 Tamar, 3 Yard, 5 Illusion, 6 Several, 7 Darkly, 8 Fluke, 13 Thriller, 15 Edifice, 17 Stupid, 18 Pylon, 19 Exempt, 22 Jumbo, 23 Stag.

Emergency stabilization programme

Post Economic Reporter Avi Temkin examines the provisions of the plan in the separate areas of prices, wages, taxes, savings and the economy as a whole.

An exercise in overkill

The emergency stabilization programme will affect almost every sector of the economy, including wages, prices, rates of exchange, subsidies, public sector spending and taxes. Unfortunately, however, many of its provisions are more severe than absolutely necessary, and it is bound to run into trouble with a work force that is once again being asked to bear the heaviest burden.

Its main aim, in stark contrast to the gradual approach that Prime Minister Peres favoured for nine months, is to solve the country's problems rapidly by bringing about a sharp fall in the inflation rate. Fundamentally, it is a course of shock treatment for the ailing economy.

INSIGHT

AVI TEMKIN

Implementation entails widespread use of emergency regulations for the next three months. The use of these regulations, which overrule existing laws and agreements, marks the first time the government has tried to deal with labour relations in particular, and the economy in general, by decree.

The regulations will be used to freeze prices for three months, to fire some 10,000 workers from the public sector within two months, reduce the salaries of public sector workers by 3 per cent and to limit their overtime.

According to Finance Minister Yitzhak Moda'i, the success of the plan will hinge on the government's ability to cut its budget. The cabinet on Sunday approved a $750 million slash, in addition to a $400 cut in subsidies.

The plan's designers, Treasury Director-General Emmanuel Sharon and Professors Michael Bruno and Eytan Berglass, believe that such strong medicine will bring not only rapid disinflation, but will start a flow of foreign currency from under the mattresses and into the currency reserves, relieving balance of payments pressure.

From October, it is hoped, the inflation rate would be no higher than 2 per cent a month, while the foreign currency drain would be plugged and the balance of payments situation would start to improve.

As far as incomes are concerned, all calculations agree that wages are in for a dive, and it is unlikely that the country's work force will readily accept the sort of wage cuts anticipated.

If wage earners stand firm, the government will be forced to pay compensation, and in certain cases there will be overshooting – compensation will be much higher than necessary.

The plan would appear to be a case of "overkill" – its measures are stronger than needed, apparently to leave room for negotiations with the Histadrut. But the dangers of failure are great, for a breakdown could lead Israel into a period of hyperinflation.

Thus, workers are in a no win situation. For the plan to succeed, their incomes and consumption levels will have to go down drastically while those of industrialists, and the self-employed, go up. But if the plan fails workers will lose again, with prices soaring by 40 to 50 per cent a month.

Finally, it must be stressed that in spite of all Peres' protestations, the plan will cause a rise in unemployment. Thousands of workers will have to be sacked as demand plunges, and there is little but wishful thinking in the idea that there will be enough new job opportunities for all the low paid workers fired from failing industries and the public sector.

Wages: Erosion in prospect

Workers will have to waive the cost of living increment due to them with July's salaries, by force of the emergency regulations. The increment was to be of some 23 to 25 per cent, compensating for price hikes during May and June.

In its place the Treasury wants to give wage earners a special compensation payment during July of about 10 to 13 per cent. The precise figure has yet to be set, since in an effort to reach an understanding with the Histadrut, the government may agree to a higher figure.

The wages section of the stabilization programme calls for a complete, three-month, pay freeze once this partial compensation is paid. No wage increases are to be allowed in the period ending September 30 although prices are expected to go up by 30 per cent in July and some 12 per cent in August.

According to the Treasury, real wages will be eroded by some 12 per cent – compared to May's salaries – in the July-September period.

But the ministry has failed to state the level by which real wages will have been eroded by the time September's salaries are paid, early in October. The Histadrut has estimated that the erosion will be in the order of 30 per cent, compared to May. The labour federation has stressed that May wages themselves were already considerably eroded compared with their level on the eve of the Package Deal accord.

According to some senior economists at the Bank of Israel, such large wage erosion would prove unacceptable. These officials think that the Treasury would have to give workers a higher compensation payment some time this month, and that during the freeze a form of income tax relief will have to be offered to workers.

While all wage earners will be affected by the programme, those working in the public sector will be hardest hit.

Public sector employees will have to give up 3 per cent of their salaries: in other words their compensation payment will be 3 per cent smaller than that of other workers.

Furthermore, some 10,000 public sector workers are to be fired. By next week every public sector body, except for the army, the police and the Education Ministry, is to be ready with a list of workers to be dismissed.

Works committees have no right to appeal, but may offer alternative names within one week. In four weeks the dismissals are to be announced, and they will be effective one month later.

The cabinet has yet to consider a proposal to abolish overtime in the public sector for the next three months. Meanwhile, all workers receiving free or subsidized meals at their place of work will have to pay income tax on this benefit.

The government is to start taxing the 2.5 per cent allocation from wages to workers' professional learning funds (*keren hishtalmut*). The 7.5 per cent employers' contribution will not be taxed. Thus, the monthly accumulation in these funds will be worth 9 per cent of the wages instead of 10 per cent as previously, the remaining 1 per cent being paid in income tax.

Dollars out of mattresses

As of yesterday, the public may only make new shekel deposits in current *patam* accounts for fixed periods of one year and over.

Holders of foreign currency, however, may deposit up to $2,000 each in special accounts. These will not earn interest, but it will be possible to withdraw the foreign currency in cash on call for use in travel abroad, subject to the limitations on taking foreign currency out of the country.

Sums already deposited in *patam* accounts will not be affected, but once withdrawn it will not be possible to deposit them again. Sums maturing in existing fixed period accounts will be transformed into current desposits, and may be left in the *patam* accounts.

The government has declared that it will gradually pull out of the capital market. In the coming months there will be an effort to free provident funds and pension funds, as well as saving schemes, from the obligation to purchase non-negotiable government bonds to cover deposits. Instead, they will be encouraged to purchase securities from investment institutions, which will then invest the money in the business sector.

As a first step in this plan, the government has cut the budget for loans to industrial investment by $100 million. This will force industry to find new sources of funds.

Finance Minister Moda'i has declared that if government spending is cut as planned, there will be no need for the government to raise funds from the public through the capital market, and this will leave room for industry to raise capital from private savers.

Economic observers have pointed out the potential importance of the decision to let Israelis open foreign currency accounts. Moda'i has admitted that it will be almost impossible to control the number of such accounts being held by one person, which means that the $2000 limit is unlikely to prove effective. These accounts could, if the government's overall plan holds credibility, help to bring in the large sums of foreign currency that are currently stuffing mattresses.

Bank of Israel exchange rates

July 1, 1985	IS
U.S. dollar	1500.0
British sterling	1973.9
German mark	495.79
French franc	162.66
Dutch guilder	439.75
Swiss franc	591.30
Swedish krona	171.61
Norwegian krone	172.01
Danish krone	138.22
Finnish mark	238.27
Canadian dollar	—
Australian dollar	1002.00
South African rand	768.53
Belgian franc (10)	246.14
Austrian schilling (10)	705.24
Italian lire (1000)	776.60
Japanese yen (100)	605.33
Irish pound	1553.3
Spanish peseta (100)	866.38
Jordanian dinar	3720.0
Lebanese lira	94.730

FOREIGN CURRENCY

1.7.85

INTERBANK SPOT RATES:

US$	1.3160/1.3167	per £
DM	3.0260/3.0270	per $
Dutch G	3.4100/3.4120	per $
Swiss FR	2.5360/2.5370	per $
Belgian Con	60.92/60.95	per $
French FR	9.2220/9.2250	per $
Italian Lire	1931.50/1932.00	per $
Yen	247.87/247.95	per $
US$	1.0029/1.0034	per SDR

GOLD: $315.35

FORWARD RATES:

	$/£	SW.FR./$	DM/$
1 mon:	1.3103/12	2.5300/16	3.0197/12
3 mos:	1.3008/18	2.5195/11	3.0086/01
6 mos:	1.2894/06	2.5025/30	2.9903/23

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BREAKING DOWN THE CUTS

According to the government, the budget cuts incorporated in the stabilization programme total $1.5 billion. However, $400m. represents cuts in subsidies on basic commodities, and another $350-400m. represents the increase in taxation revenue under the recommendations of the Steinberg committee.

This leaves some $750m., which the government claims represents the budgetary cut. A closer analysis of the programme shows, however, that two thirds of this $750m. is to be saved through increasing charges for government services and by cutting down social allowances.

Thus, only $250m. is scheduled to be cut from ministry spending. This includes some $50m. from the Defence Ministry budget, which even the Treasury agrees is near-impossible to determine given the sprawling nature of the defence budget. Observers say that it will be almost impossible to establish whether this cut is made.

Similarly, some $75m. is to be cut from all the ministries, according to their own decisions. Past experience has shown that these cuts are seldom implemented in full.

The following list details the savings as set out in the programme:

Levy on the self employed and on companies	$100m.
Cuts in loans for investment	$100m.
Delaying implementation of Etzioni recommendations	$56m.
Health fees and levies	$60m.
Freeze in public and school building	$42m.
Child allowance cancellation	$50m.
Taxes on old age allowances	$30m.
3 per cent cut in public sector wages	$37m.
Taxes on luxury housing	$52m.
Abolition of loans from Mifal Hapayis to local authorities	$20m.
Taxes on professional learning funds	$12m.
Public sector dismissals	$12m.
Cancellation of tax relief programmes for companies	$40m.
Dividends from government-owned corporations	$25m.
Tax on free or subsidized meals for workers	$20m.
Cancellation of city tax exemptions	$20m.
Cut in Defence Ministry budget	$50m.
Cut in Energy Ministry budget	$2m.
Levy on students at teachers' seminars	$1.5m.
Cut in Tourism Ministry budget	$0.8m.
Savings from axing of projects by individual ministries	$75m.

The plan: An overview

The government hopes that the stabilization programme will evolve over three periods. The first period, with its shock price increases and 18.8 per cent devaluation, has already finished. The second period, featuring the three month price and wage freeze, and implementation of budgetary savings worth $750 million, is now beginning.

Only if that stage is completed successfully will the third period – a calmer time concerned with reforms in the capital market and the tax system, conducted in a climate of far lower inflation rates – be reached.

The road to stabilization, however, is far from smooth. Firstly, inflation in July is expected to soar above all past records, reaching as high as 27 to 30 per cent. (By August it should fall to 10 per cent or less, and in September to 5 per cent. Finance Minister Moda'i said on Friday that from October inflation should not top 2 per cent a month.)

The question, however, is whether the plan will even survive the shock of July's massive inflation. The government has promised that exchange rates will be frozen, provided that no wage increases are paid during the freeze period. If, however, the wage freeze is broken – or if the government is forced to pay more than 14 per cent in special compensation this month – then a devaluation is likely, and the plan will be severely hampered.

Secondly, it remains to be seen whether the various ministries will carry out their scheduled cuts. While the Treasury is empowered to impose some of the cuts on the ministries by decree, there are still areas where the individual ministries retain control.

A third way in which the programme could be rocked would be if the public sector firings and wage reductions were not carried out. The public sector unions are powerful enough to block these measures, which are designed to save some $50m. of the total $750m.

In the second stage of the plan that we are now entering, it will become increasingly difficult to raise credit. Interest rates are expected to skyrocket to some 25 per cent monthly in real terms.

This will severely hamper activities in the business sector. It is therefore expected that unemployment will rise.

Savers and investors are expected, in the coming weeks, to transfer large sums of dollar-linked assets into short term shekel deposits. Thus, the banks will be flooded with shekels which the high interest rates will preclude businesses from borrowing.

The government hopes that the public will begin pulling dollars out of its mattresses, and that these funds will find their way to the Bank of Israel's foreign currency reserves.

It is hoped that the plan itself will help boost the reserves, since the Americans will approve of the stringent measures and will be more forthcoming with the $1.5 billion emergency aid package currently caught up in the U.S. legislative system.

The devaluation of the shekel has enabled the government to cut export subsidies by several hundred million dollars. But these cuts were not included in the government's calculations. It is possible that the funds could have been set aside for use as a reserve, and that the government may use the funds to cover a reduction in import levies.

Government officials have said that the frozen exchange rate should provide sufficient encouragement for exporters.

The plan will make itself felt in the daily activities of all citizens. School children will be divided into two shifts – those taking classes in the mornings and those learning in the afternoons – because there will be no money for new school buildings.

Local authorities will be cash starved, and services will be reduced, while the public will have to pay much more for health, education and social services.

The lowdown on prices

The shekel was devalued by 18.8 per cent on Sunday while prices were being raised by an average 24 per cent. These measures will be followed by a three month freeze of prices and wages, during which period the official rate of exchange will remain constant at IS1500=$1.

Price hikes were approved on Sunday on three groups of items. The first group, covering some 40 per cent of all goods and services, was increased by 17 per cent across board. The second group, covering subsidized basic commodities and public transport was raised by between 45 and 100 per cent. The third group, covering some 500 types of goods and services supplied by the government and the private sector, including rents, bank charges, and cigarettes, rose in price by 20 to 57 per cent, with the majority rising by 20 to 35 per cent.

The price freeze is to be imposed using emergency regulations, and unlike the package deal, there has been no agreement worked out with either the Histadrut or the industrialists. The Knesset's authority has also been bypassed.

In the coming days, over 10,000 manufacturers and retailers will be asked to complete questionnaires concerning the prices they charge. Inspectors will be out in force to guard against any price hikes, and under the emergency regulations, the Trade Ministry is empowered to close down any shop for five days if a pricing offence is committed.

It is hoped that the public will check prices and inform the ministry of price offenders. The ministry is to publish a list of maximum prices for some main consumer items.

In contrast to the package deal, new building and ongoing contracts will be covered by the three month freeze. But the exchange rate for sale of new buildings and apartments is IS1,486=$1.

Rents on residential buildings will also be frozen for three months. Under the emergency regulations, rents were increased by a 25 per cent hike from Sunday. This means that for the coming three months, tenants will pay a constant 25 per cent more rent than they paid in June.

Prices going up particularly sharply include public transport, 100 per cent; electricity, 53 per cent; postal and phone services, 40 per cent; bank commissions, 32 per cent; a day's hospitalization, 57 per cent; and water, 82 per cent.

A heavier tax burden for all

The burden of taxation on workers, the self employed, and companies, will be considerably heavier under the stabilization programme, although there will be reductions in some spheres of taxation.

In its efforts to insure that the plan affected all sectors of the population equally, its authors made sure to introduce measures that would affect the higher as well as the lower income groups.

Companies and the self employed will have to pay 8.3 per cent more income tax over the year as a whole, divided equally into 12 monthly payments. This is the equivalent of adding one more advance tax payment to the 12 payments made annually at present.

Tax relief granted to industry, in conflict with recommendations of the Steinberg committee, will be abolished, bringing in an expected $40 million to the government.

Owners of luxury housing will have to pay a tax – the rate of which has yet to be determined by the interior minister – to local authorities. The final definition of luxury has yet to be agreed upon, but it is likely that properties worth $100,000 and over will be subject to the tax.

Value added tax is to go down from 17 per cent to 15 per cent, and the compulsory deposits on imports of luxury goods will be lowered by 15 per cent.

Despite the devaluation, none of the other customs levies and taxes have been abolished.

As of yesterday, the travel tax is IS375,000 – or IS250,000 for travel to Egypt.

Child allowances for the first child in families of up to three children, or in families where the main breadwinner earns less than IS400,000, will be abolished, but in the latter cases the money will be returned either by employers or through the national insurance institute.

The child allowance cut, it is hoped, will bring in some $50m.

Students in teachers seminars will have to pay the $150 education levy.

The exemptions from city rates granted to army personnel, police and all members of security services will be cancelled.

Old age allowances paid by the NII will be subject to income tax in cases where the recipients earn other taxable income.

Sick funds will not be allowed to go into deep debt with the government. The Treasury will deduct monies owed from the sums it transfers every month to the sick funds.

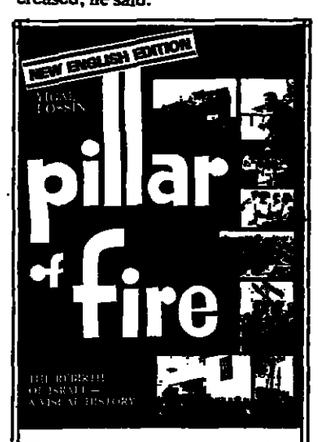
Bleak economic future foreseen by businessman

By YITZHAK OKED

TEL AVIV. – A bleak picture of the economic future was painted on Monday by Avner Ben-Yakar, outgoing president of the Federation of Israel Chambers of Commerce.

The weak link in the chain is the foreign exchange rate, he told *The Jerusalem Post*. "The unfrozen foreign exchange rate was the main cause for the failure of the second package deal, because it pushed all prices up. It is unclear whether it will be frozen. I'm afraid that inflation will continue to spiral upward," he said.

Ben-Yakar said the government has done the opposite of what needed to be done. To revive the economy there is need for more liberalization and not for an economy controlled by decrees. Taxes should have been lowered, not increased, he said.



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"EURO PAZ", 1 UNIT	5834.766	5887.464
S.D.R.	1494.781	1513.432

FOREIGN CURRENCY BANKNOTES FOR 1.7.85

COUNTRY	CURRENCY		CHEQUES AND TRANSACTIONS PURCHASE	CHEQUES AND TRANSACTIONS SALE	BANKNOTES PURCHASE	BANKNOTES SALE
U.S.A.	DOLLAR	1	1490.700	1509.300	1477.500	1545.000
GREAT BRITAIN	STERLING	1	1962.059	1986.541	1944.680	2033.530
GERMANY	MARK	1	491.980	498.119	487.620	509.900
FRANCE	FRANC	1	161.470	163.486	154.430	167.350
HOLLAND	GULDEN	1	437.155	442.610	433.280	453.080
SWITZERLAND	FRANC	1	588.047	595.385	582.840	609.470
SWEDEN	KRONA	1	170.593	172.722	166.880	176.810
NORWAY	KRONE	1	170.893	173.025	167.170	177.120
DENMARK	KRONE	1	137.341	139.055	134.350	142.340
FINLAND	MARK	1	236.882	239.838	231.730	245.510
CANADA	DOLLAR	1	1097.313	1111.005	1078.890	1137.280
AUSTRALIA	DOLLAR	1	993.998	1006.401	949.720	1039.480
SOUTH AFRICA	RAND	1	766.219	775.780	645.510	827.480
BELGIUM	FRANC	10	244.778	247.833	—	—
AUSTRIA	SCHILLING	10	701.505	710.299	695.290	727.060
ITALY	LIRE	1000	771.464	781.090	730.220	799.570
JAPAN	YEN	1000	602.059	609.572	596.720	623.990

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New York Stock Exchange

July 2, 1985

D.J. Avg.	1333.55	−3.59
Transport	672.86	+0.23
Utilities	165.36	n.c.
Volume	109,018,100	

D.J. LIST		
Alcoa	34¼	n.c.
Allied Chem.	42⅜	n.c.
Amer Brand	65⅜	−¼
Amer Can	58¼	−½
Amer Exp	47	−⅛
Amer T & T	23⅞	−⅛
Beth Steel	16	n.c.
Du Pont	59½	n.c.
East Kodak	45⅛	+½
Exxon	51¾	−⅛
Gen Elect.	61⅞	−¼
Gen Food	79⅛	−¼
Gen Motors	73⅝	+⅛
Goodyear	29¾	−½
Intl Bus	124⅜	−¼
Intl Harv.	8¾	n.c.
Intl Paper	48¾	n.c.
Merck	112	−⅛
MMM	78¾	+⅜
Intl Nickel	12⅞	−⅛
Owens	47¼	+⅛
Procter Gam.	57½	+⅜
Chevron	37¼	n.c.
Sears	37¼	−⅜
Texaco	37⅜	+⅜
Union Carb.	45¾	−⅛
United Tech.	42½	+¼
US Steel	27¾	−⅛
Westinghouse	34⅛	−⅛
Woolworth	46¼	−½

GOLD & SILVER		
Gold Fix	308.25	−5.65
Asa Ltd.	47¼	−⅛
Homestake	23⅛	n.c.

ISRAEL SHARES IN NY		
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Ampal Pfd.	6¼	7
Alliance	2½	n.c.
Bio Tech	7½	7¾
Electronics Ord.	12¾	+⅛
Elbit	9⅛	n.c.
Elron Ord.	8⅛	−⅛
Elscint	4⅛	n.c.
Etz Lavud	30¼	n.c.
Fibronics	13⅛	n.c.
IDB Ord.	44	48
Interpharm	3⅜	3⅞
Laser Indus	12	+⅛
Optrotech	14	n.c.
Rada elec.	9¼	10⅛
Scitex	15	−½
Taro-Vit	2⅛	2⅜
Teva	2½	2¾

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Peres takes the lead

THE KNESSET'S endorsement of the economic austerity programme was hardly in doubt. The programme has its critics in both major parties: it is draconic, inequitable and unpopular. Yet parliament could not have turned it down without at the same time bidding Premier Shimon Peres to submit his, and the national unity government's, resignation to the president. This it was not prepared to do, and that is why even Likud ministers who had opposed the programme in the cabinet – and they accounted for a majority of the Likud's ministerial contingent – this time mostly raised their hands in approval.

The lone exception was that supreme social demagogue, Deputy Prime Minister David Levy, who conveniently absented himself from the chamber. It is now time for him to – as the expression goes – "draw the conclusions" from the principle of collective responsibility, and bow out.

Yesterday's vote was not only an expression of confidence in the government, but in Mr. Peres personally. For weeks, indeed months, the premier had been taken to task, even by his own Labour Party colleagues, for failure to demonstrate resolute leadership in economic matters and to come up with a clear-cut plan for economic recovery. He has now done just that: he has taken the economic bull by the horns, promising in effect to bring it under control within the next three months. The Knesset, sensing it had no real alternative, agreed to back him.

However, what parliament has now granted the government, the people in their majesty seem so far to have withheld. The reason is not that some professional rabble-rousers, motivated by ideology or special interest, have been whipping up grass-roots discontent. The discontent has risen spontaneously: the Histadrut-initiated one-day general strike yesterday expressed a nationwide sentiment. For never before in Israel's history have the working masses been called upon to so massively reduce their standard of living without a minimal assurance that the better-off classes will share proportionately in the common belt-tightening effort.

Commendably, Mr. Peres has now taken the lead in a heroic campaign designed to enlist the people's support for the programme.

He is trying to persuade the people that the choice is not between cooperation in implementing the programme and its sabotage, but between a reasonable hope of recovery and a certain disaster. In so doing the premier must walk a tightrope: he cannot very well remind the electorate of his own warnings to them against depositing their trust in a party of reckless vote-catching profligates who would drive the country over the brink. Nor can he afford to name that party, for it constitutes one half of the inner cabinet and includes his own Finance Minister Yitzhak Moda'i, a co-author of the austerity plan, who himself puts the blame for our economic malaise on previous Likud governments.

What the premier can still do to win popular backing is to give up the attempt to force changes in existing labour agreements dictatorially, especially through the hateful emergency decrees. Securing the Histadrut's willing compliance, as he is now attempting to do together with Mr. Moda'i, will be well worth the price of some concessions to Mr. Peres's party colleague Yisrael Kessar, so long as these do not undermine the programme.

One thing is clear: the fate of Israel's economy – and its polity as well – will hinge on success in pushing the programme through during the next three months.

Main burden on the workers

FOR THE FIRST time in the history of the State of Israel, there has been a general strike – and it took a government led by a Labour prime minister to goad the Histadrut, one of the most docile trade union federations in the world, into that extreme protest.

The reason and justification for yesterday's strike is that the burden which the government has decreed, after weeks and months of careful deliberation – as the prime minister made a point of emphasizing in his television interview on Monday night – has been so one-sidedly imposed on those who earn their daily bread by working for a wage. There is an outrage of which yesterday's general strike may only be the beginning.

Histadrut Secretary-General Yisrael Kessar has listed the wage-earners' grievances point by point in an impassioned speech from the Knesset rostrum. Even if he was not right in every detail, there is a tremendous imbalance between the brutal cut in real wages – as much as 30 per cent – and the ostensible sacrifices imposed on businesses which for the time being are on paper and even if eventually exacted, will only come into force much later. Significantly, the emergency regulations do not apply to the 8.3 per cent surtax to be imposed on companies and the self-employed – that tax will only come into force in October. Shrewd businessmen have already figured out that in reality the tax will be much less.

Israel's wage-earners have demonstrated that they are prepared to pay a high price for stability and are prepared to accept hardships. Imposing all the burden on them alone – and that against no more than a promise, not much different from other unfulfilled promises before, that better times are around the corner – must strain their patience to the breaking point.

The government's stabilization programme is, at long last, comprehensive and consistent – as consistent as a granite millstone on the wage-earners' necks. If the government indeed goes through with it, it will mean a cut in total wages of over $2 billion – some 20 per cent of the total civilian consumption. That, however, is not the end of the story. Prime Minister Peres has pointed with pride to the fact that while all western economies are racked by high unemployment, Israel is not. His observations on the subject implied that this might remain so.

It would be easier to square the circle. There is no way of avoiding high unemployment if aggregate demand is cut as sharply and as suddenly as it has been – unless prices come down instead of merely staying put – and there is no way of preventing it from putting the economy on a downward spiral except to reverse the policy again.

Perhaps the facts known to the prime minister and his closest advisers are such that the belt had to be tightened to the notch determined by the government, and not even half a notch less. Perhaps the government was forced to accept a polite dictate from the U.S. so as to get the first instalment of the emergency aid handed over. Perhaps the not-much-publicized presence in Jerusalem of Mr. Dan Halperin, our economic minister in Washington, is significant. All that may be true, and it may also be true that the government cannot disclose how badly off the economy is until U.S. aid comes to the rescue.

This being admitted, it still remains true that the disregard for a just and fair distribution of the burden borders on a cynicism outdone only by the demagoguery of the Likud ministers, who mouth rotund and inflammatory phrases about social justice after having so thoroughly run the country into the ground that putting our house back in order is a Sisyphean labour.

How to deal with Kahane

By SUSAN HATTIS ROLEF

THE APPEARANCE of Yair Kotler's new book, *Heil, Kahane!* once again raises the question of how the Kahane phenomenon should be dealt with.

Many have argued that one way is for the media to give the Kach leader minimal exposure, since it is well known that one of his main motivating forces is quoted as having said that he doesn't care what people write about him, as long as they spell his name correctly.

There is reason to doubt the value of this strategy. For one thing, it is advocated not only by people who see both the man and the ideas he propagates as an abomination, but also by those who have worked with him in the past and, while being in perfect agreement with his ideology, have discovered that Meir Kahane is a manipulator, a liar and a hypocrite who will do anything if he can get some publicity out of it for himself.

To the first group advocating a low-key approach, one may simply say: "The approach hasn't worked. Kahane is gaining popularity, and anyhow, most of the circles in which his popularity is growing read only the sports section of the papers or the Gemara."

To the second group, one should say: "Kahane himself is not the main enemy; his ideoloy – which you share – is far more dangerous.

There are three targets in the struggle against Kahane and Kahanism. Firstly, the man himself; secondly, his actual and potential electoral supporters, and thirdly, those who disagree with Kahane's views but believe that he is necessary in Israeli politics to counteract the extreme left and extreme Palestinian nationalism (which is anything but left-wing).

These people are willing to support Kahane's right to exist politically, and even provide him with financial backing. (I recently met such an individual – a charming, soft-spoken and relatively moderate gentleman from Cleveland).

THE MAIN WAY of dealing with Kahane himself is through the law. And the Ministry of Justice is, in fact, working on two pieces of legislation. One would prohibit racist lists from running for the Knesset; the second would amend the penal code to make racist incitement a felony.

Anyone familiar with this type of legislation knows how complicated it is and how careful those drafting it must be to ensure that it cannot be used in an anti-democratic way against minority views. This explains, at least partially, why this legislation is taking so long to enter our statute books.

The struggle against Kahane's ideology is much more complex. For a start, it cannot take place in a silent, behind-the-scenes manner.

We know that most of Kahane's supporters and followers are young people. According to a recent poll carried out by the Van Leer Institute, many of these young people are from the religious sector, and have fallen for Kahane's interpretation of the Bible and Halacha.

Amongst this group, it is primarily those rabbis and religious scholars who reject Kahane's interpretation of Judaism (and they are the overwhelming majority) who must speak out.

But a large number of Kahane's young followers come from the less articulate sections of the population – those which contain society's underdogs and misfits and are quicker with their fists than their heads.

Talking about "morality" or "right and wrong" to these young people is, unfortunately, a waste of time. However, one must take advantage of the minimum of nine years which these youngsters spend in school to influence their way of thinking.

IN ADDITION to the general effort to inculcate democratic, anti-racist and humanistic values in our schoolchildren, the phenomenon of Kahanism and its principles must be dealt with on a basis of *realpolitik*.

In other words, it must be made clear that even if these principles were morally acceptable (which they are not), they are unrealistic, and any attempt to implement them will only lead to a catastrophe for the Jewish people and the State of Israel.

Driving this point home can be done, *inter alia*, by means of provocative films, such as the one recently prepared on a shoestring budget by the Sharett Institute in Jerusalem. It shows a possible scenario of what could happen if Israel were to annex Judea, Samaria and Gaza. Another possibility is class experiments such as that portrayed in *The Wave*, a film based on the experience of an American school teacher who demonstrated to his pupils how easily they could be drawn into active participation in a Nazi-like movement.

Using such means, one should take Kahane's ideas one by one and break them – not just morally, but from a basic, logical point of view.

Kahane talks a lot about the transfer of all two million Arabs who live west of the Jordan River as if it were a realistic policy. Many youngsters accept this as a practical proposition and believe all that is necessary for its implementation is will.

Kahane proposes that arrangements be made to ship the Arabs to Canada (for example). He pretends to believe that, with sufficient incentives, most of them would be willing to move.

Asked whether he would be willing to see a similar forced or voluntary transfer of all Diaspora Jews, he replies: "Yes, then they will all have to come to Israel."

To strengthen his argument, he adds that many Zionist leaders have in the past expressed support for the transfer idea. Needless to say, he usually takes these leaders' words out of context.

ONE MUST DISTINGUISH between people saying: "Wouldn't it be nice if all the Palestinians decided to move elsewhere" and an active policy designed to bring about this situation by any means.

The vast majority of Palestinian Arabs will not leave the country voluntarily, since they are at least as attached to the land as is Rabbi Kahane. Getting them to leave by force is certain to result not only in all the Arab armies resisting the attempt, but in other states, including the U.S., actively intervening to stop the insane policy. How Israel could gain from such a situation is difficult to see.

Even assuming that a policy of expulsion were possible, who will guarantee that the next to be thrown out are not those Jews whom "Prime Minister" Kahane views as enemies of the people, the state and himself?

He has, after all, already advocated the expulsion of people like Shulamit Aloni and Yossi Sarid.

Where would the limits be set, and by whom? Again, neither Canada nor any other country would be willing to absorb two million expelled Palestinians, any more than they were willing in 1938 to absorb even a fraction of the Jewish refugees of Nazi persecution.

Finally, no democratic country is likely to react to the forced transfer of Arabs with an expulsion of its own Jews. On the contrary, most of the Jews in the democratic countries would undoubtedly join the struggle against an Israel turned fascist.

The Soviet Union, on the other hand, would probably intensify its persecution of Soviet Jewry without opening its gates to enable Jews to leave. How world Jewry would benefit from this insane scenario is again impossible to see.

All of this is not difficult to demonstrate visually – and it must be demonstrated to children at school and others in the most forceful way.

The same applies to all of Kahane's other cockeyed ideas, including the prohibition of interracial copulation by law (Kahane tried to present such a bill to the Knesset) and his other Nuremberg-like legislative proposals.

DEALING WITH the last target of the struggle against Kahane and Kahanism – those who don't agree with him but believe that as a phenomenon he is necessary – again necessitates a totally different approach. Here, the widest possible publicity for Kahane's views and activities is vital.

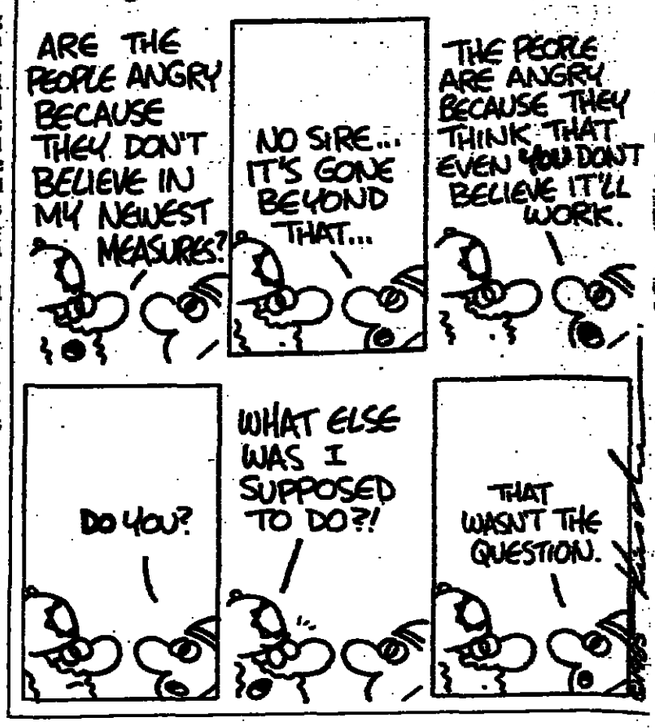
That worthy gentleman from Cleveland said to me: "You know, you really ought to be listening to what Kahane is saying rather than attacking him." Needless to say, he didn't have the slightest idea of what Kahane is saying most of the time.

He had met the man once, when Kahane was apparently at his amiable, soft-spoken and logical best. The Kach leader can be very persuasive when he isn't stammering or yelling hysterically, and his eyes aren't rolling all over the place.

The way to fight the extreme anti-Zionist left and extreme uncompromising Palestinian nationalism is not by means of Kahanism. All three phenomena endanger the very existence of the Jewish state, not to mention its democracy. All three must be openly and loudly fought by every means, including the media.

Dr. Rolef is a freelance writer, lecturer and translator.

Dry Bones



Analysing an argument

By REUVEN ALBERG

ISRAEL IS now engaged in the Great Debate: whether to make territorial compromises and achieve peace with the Arabs; or hold on to all of the West Bank and build up a Greater Israel with many Jews and many Arabs in it; or have a larger state but drive out the Arabs.

Sometimes, this debate is conducted openly on the issues involved. However, the annexationist side in particular often argues other issues and slips in the main theme innocuously. A very good example of this was Paul Eidelberg's "Maudlin madness" (*The Jerusalem Post*, June 9). What Eidelberg wants to say is that Jewish settlement of the West Bank is a necessary and noble activity, and that criticism would hurt it, and such criticism must be refuted and eliminated.

Instead of saying these things directly, he engages in a long diatribe about Israel's government not acting according to law or in a democratic fashion. Just as it is difficult to argue with someone praising motherhood, who would dare oppose a man who praises democracy?.

Eidelberg says the government did not act according to law by releasing over 1,000 Arab terrorists in exchange for three Israeli soldiers. Most Israelis believe the government made a grievous error in the exchange, but not that it violated any law. Our government has been making prisoner exchanges for years, exercising a power that every government has. Yet Eidelberg asks, "By what authority did the government release these cutthroats? ... Where is the law that permits such an amnesty?"

Now comes the crux of his argument. The release of the Arab terrorists has triggered a demand for the release of the "much-maligned Jewish 'underground.'" He puts "*underground*" in quotation marks, as if the defendants in the Jewish terror trial are not really an underground, but are only maliciously called so.

He should know that an "underground" is a secret organization engaged in activities that a government forbids. The defendants are alleged to have killed Arab students at random, to have wounded Arab mayors, to have prepared to blow up Arab buses, perhaps killing scores, and to have planned to blow up mosques. These are things we must malign.

According to the twisted logic of Professor Eidelberg, if our government already undermines the rule of law, then it should go one step further along this terrible road and undermine the law in the case of the alleged Jewish terrorists.

IT IS regrettable that a teacher of political science should advocate a course that would cause the Israeli judicial system to descend into chaos. One wonders why so many intelligent people are so vehement in their demand to free alleged Jewish terrorists. I doubt very much if it is out of genuine sympathy for the two dozen "nice boys" accused of crimes including murder and attempted murder. It can only be that these crimes give a bad name to the whole process of taking over the West Bank, and so, this ugly image must be removed at all costs.

The minister of interior, Rabbi Yitzhak Peretz now urges that not only the accused Jewish terrorists but also Jewish criminals in prisons who repent and embrace Orthodox Judaism should be set free. One foresees the prison population making a mad rush to prison stores to purchase black *kippot*.

Some 200 rabbis reportedly have signed a petition for the release of the alleged Jewish terrorists. This brings us to the religious element in this problem. Some years hence, when the history of the Arab-Jewish conflict is written, one of the most tragic and pitiable chapters will be about the advocacy by much of the religious establishment of a regime that is anti-democratic and cruel.

Eidelberg writes about the need for governmental responsibility and a good governmental framework. Thus he brings in his "semi-Utopian" demand for a written constitution. The next minute he says we should "not offend the religious," for they say that we already have a constitution for Israel: Halacha. Doesn't he know it was the Orthodox who prevented us from having a written constitution in 1948?

We might ask whether Eidelberg wants a constitution on the American model or what the Orthodox want. He has a novel answer for this: the Halacha is really better, but there aren't any people who can apply it to contemporary conditions.

His answer is indeed surprising. Israel has thousands of rabbis and 50,000 yeshiva students, but no one knows how to apply the Tora to modern life. The truth of the matter is that Tora is not capable of serving as a body of laws for us in the 20th century.

Eidelberg quotes jurist and philosopher Isaac Breuer's statement that Tora "is as comprehensive as any codification of the whole complex of private and public law of any living modern state can possibly be." Most educated Jews know better. We have heard many Talmud scholars themselves admit that Jewish law is lacking in many elements needed to govern a modern state.

To assure ourselves of this, we need only consult Prof. Menahem Elon's excellent *Principles of Jewish Law*. This book has the 150 articles on Jewish law contained in *Encyclopedia Judaica*. One finds that Jewish law has many provisions about loans and damages and marriage and levirate marriage and slavery and inheritances, but it has no rules about patents, censorship of the arts and the news media, modern transportation and modern means of communication, modern banking, stocks and bonds, public health, labour unions, old-age pensions, cooperatives, democratic voting procedures and political equality. Jewish law has no rules about the freedoms of speech, press, assembly, the right to petition the government and of freedom of religion – and other issues.

ALL SUCH matters are now covered by laws in modern states and Israel has adopted them from these states. It has taken modern countries hundreds of years to develop and refine these laws. We could never deduce the thousands of laws on such subjects by examining the existing Halacha, even if we tried for 50 years. We would soon end up by copying an American or a British law or a Norwegian law, as we do now.

As a matter of fact, Jewish law has some elements that would scare us out of our wits if we were to follow them. For instance, in criminal law a person is not allowed to confess that he is guilty (Elon, page 614). Nor is the accused interrogated in a criminal trial (page 615). For a conviction, there must be two eyewitnesses to the crime (page 606).

Can you imagine our police working under such conditions? Thousands of murderers, rapists and robbers and terrorists would walk freely on our streets.

The writer is a former teacher of history at Bar Ilan University.

READERS' LETTERS

ISRAEL'S BLUNDER

To the Editor of The Jerusalem Post

Sir, – It is now clear that the exchange of three Israelis for 1150 terrorists may be ranked as perhaps the biggest blunder an Israeli government ever made. The latest highjacking of an American plane with its negative repercussions is one of the results of that mistake.

Mr. Rabin, one of the principal architects and defenders of the prisoner-exchange policy, is also responsible for bringing the Shi'ite prisoners to Israel illegally and not sending them back when the Shi'ites were engaged in a fight with the PLO in Beirut, which might have gone a long way to halt the alienation of the Shi'ites. After the Palestinians received such a deal from Israel's government could the Shi'ites settle for anything less?

This is obviously just the first in a series of blackmail acts that Israel will be forced to endure. To reverse this trend, all those responsible for the release of the terrorists have to publicly admit their grave error. Moreover, Israel has to declare a new policy of no negotiations with terrorists under any circumstances and adhere to the principles of this policy no matter what the cost.

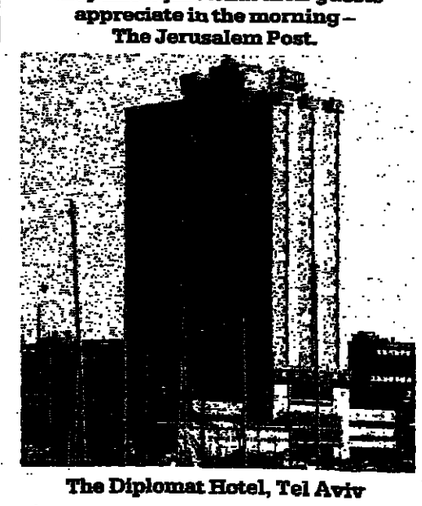
This process will be hard and costly, but cheap in comparison with failure to implement it.

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Tender
The World Fellowship of the Israel Medical Association
invites proposals for the preparation and printing of a quarterly medical journal in English.
The journal will be distributed in 15,000 copies in Israel and abroad, to doctors who are members of the Association.
The financing of the journal will come from the sale of advertising space.
Additional details and a technical specification are available from the Secretariat of the World Fellowship of the Israel Medical Association, 39 Rehov Shaul Hamelech, Tel Aviv (Hadar Dafna Building) Tel. 03-255521, against payment of IS10,000 (nonreturnable).
No undertaking is given to accept the lowest or any bid.
Bids should be submitted to the Secretariat of the Association by July 10, 1985.
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